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Control of Permanent Change of Station (PCS) Funds

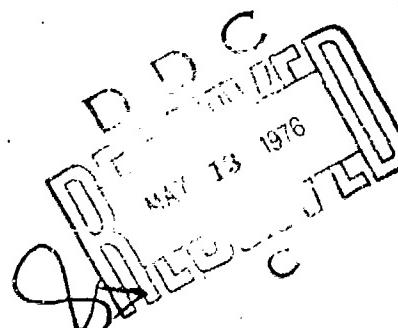
Final Report

by

LTC Robert A. McDonald
LTC John J. Durant
LTC Terrence L. Arndt

Mr. Leo Kaplan
Mr. Lawrence H. Martin
Mr. Lewis S. Roberts

6 January 1976



Prepared for:
The Department of the Army
Office of the Deputy Chief of Staff for Personnel

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PART I
EXECUTIVE SUMMARY

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EXECUTIVE SUMMARY

1. Purpose. The purpose of this study is to assist the Office of the Deputy Chief of Staff for Personnel (ODCSPER) in improving the management of the Permanent Change of Station (PCS) travel program. This study focuses on the management aspects of the PCS program. Consideration was given to all possible factors that influence the obligation and expenditure of PCS funds, forecasting and controlling PCS moves, rate estimation and accounting for PCS disbursements. Those personnel policies that cause a PCS move to be made were not considered.

2. Methodology. This study was accomplished by ODCSPER assisted by the US Army Finance and Accounting Center (USAFAAC), US Army Military Personnel Center (MILPERCEN), Office of the Comptroller of the Army (OCOA) and the Office of the Deputy Chief of Staff for Logistics (ODCSLOG). There were two separate study groups working on the problem with ODCSPER coordinating their efforts. Study Group A, which consisted of a representative from ODCSPER assisted by representatives from ODCSLOG, OCOA and MILPERCEN investigated the areas of PCS programming and budgeting, PCS assignment procedures, PCS move forecasting and the controlling and accounting for PCS moves. Study Group B, from USAFAC, examined the methods for accounting for PCS expenditures. This report does not describe all the areas investigated by both study groups but outlines only the major problem areas that were identified and the recommended solutions. Where appropriate, actions that have already been taken to help alleviate a problem are indicated.

3. Contents of the Report. This report consists of three major parts. Part I is this executive summary, Part II contains the report of Study Group A and Part III contains the report of Study Group B. Each part contains its own background material, findings and recommendations. The remainder of this executive summary gives a brief description of each problem, the recommended solutions and actions already initiated. A full explanation of each problem is contained in the appropriate section of the report.

4. Major Problems in the System and Recommended Solutions:

a. Study Group A (Part II)

(1) Forecasting PCS Moves:

(a) Problem: The agencies/staffs responsible for ordering the PCS movement of Army military personnel are unable to provide accurate short range forecasts (0-12 months) of PCS move requirements by the categories of travel that are required by Congress to be shown in the PCS budget.

(b) Discussion: Accurate PCS move forecasts for up to 12 months in the future are required by ODCSPER for managing the PCS program during budget execution. Because of the differences in categorizing moves used by MILPERCEN compared to those categories required in the budget, MILPERCEN has been unable to provide accurate short-range forecasts of PCS moves.

(c) Conclusion: A method to forecast PCS moves for up to 12 months in the future by the categories of travel contained in the budget is required and should be developed by the agencies/staffs responsible for ordering the PCS movement of military personnel.

(d) Recommendations:

1. That all agencies/staffs responsible for the PCS movement of military personnel be required to develop PCS forecasting methods and submit to ODCSPER yearly PCS move forecasts. At a minimum these move forecasts should be updated quarterly.

2. That MILPERCEN continue to study the feasibility of incorporating the Movement Designator Code (MDC) into the CAP III system (and PERDIMS) and placing the MDC on all enlisted assignment instructions so as to be able to better project move requirements by category of travel required in the budget.

(e) Actions Already Taken:

1. All agencies/staffs responsible for ordering the PCS movement of Army military personnel were required to submit a best estimate FY 1976 PCS move program on 30 June 1975. These move programs were received by ODCSPER and will be updated on a quarterly basis. The utility of these reports and their application will be determined as management of the FY 76 PCS program progresses.

2. An initial study by MILPERCEN concerning the feasibility of incorporating the MDC into the CAP III system indicates that it would be difficult and not very productive.

(2) Movement Designator Codes (MDC's)

(a) Problem: There is an unacceptably high error rate in the use of MDC's on PCS orders.

(b) Discussion: A key element on all PCS orders is the MDC. The MDC describes the category of travel being performed and is converted to a fiscal code by finance personnel in order to charge the correct project number. For officer personnel the MDC is placed on assignment instructions by the Officer Personnel Directorate (OPD) but for enlisted personnel the MDC must be determined by the personnel who prepare the orders in the field. This has resulted in an unacceptably high error rate in the use of MDC's on enlisted orders.

(c) Conclusion: It is necessary to reduce the error rate in the use of MDC's on PCS orders.

(d) Recommendations:

1. That MILPERCEN continue to study the feasibility of including the MDC on assignment instructions issued by EPD.
2. That, until such time as the MDC can be added to all assignment instructions, commanders and inspectors general at all levels be instructed to place additional emphasis on insuring that all PCS orders and associated travel and transportation documents contain the correct MDC.

(e) Actions Already Taken:

1. Publication of the importance of correct MDC's on PCS orders through the MILPERCEN publications TIPS and FOCUS.
2. The subject of MDC's was placed in the Army Inspector General Newsletter and inspectors will inquire into the effectiveness of management controls which govern the MDC during inspections in FY 1976 within the limits of available time and personnel.
3. The importance of MDC's on PCS orders was emphasized to Senior Army Personnel in the CSA Weekly Summary.
4. A request has been submitted to MILPERCEN to have the DA Military Personnel Management Teams check orders issuing agencies in the field to insure that all personnel are adhering to AR 310-10 when placing MDC's on PCS orders. This is scheduled to begin on 1 December 1975.
5. Chapter 4 of AR 310-10, the regulation that governs the use of the MDC, has been revised to make it easier to understand.

(3) Reporting of PCS Moves:

- (a) Problem: The report of actual PCS moves executed during each month of a fiscal year contains inaccuracies.
- (b) Discussion: ODCSPER receives a monthly report of PCS moves from MILPERCEN called the DCSPER 118 Report. This move report is based on Movement Designator Codes that are taken off PCS orders and placed on Departure Transactions that are reported through SIDPERS. The format and methodology of preparing this report has recently been improved but inaccuracies still exist that are due primarily to incorrect MDC's being used on some PCS orders.
- (c) Conclusion: Inaccuracies in the present PCS move report are due primarily to inaccurate MDC's placed on PCS orders and subsequently placed on SIDPERS departure transactions.

(d) Recommendations:

1. That MILPERCEN expand the SIDPERS edit programs to not only check the validity of MDC's placed on all departure transactions but also to check the accuracy of the MDC's.

2. That commanders and inspectors at all levels be instructed to insure that all PCS departure transactions are posted to SIDPERS and that they contain the correct MDC.

(4) Least Cost Moves:

(a) Problem: In general, MILPERCEN does not consider PCS costs as a primary criterian when assigning personnel.

(b) Discussion: Consideration of "least cost" when making assignments of officers to fill valid requisitions is considered by OPD only in cases where equally qualified officers are being considered for the same assignment. For enlisted personnel, the automated assignment system (CAP III) does not contain any provisions for considering the costs of a move when nominating personnel to fill a valid requisition. According to EPD it would not be feasible to incorporate a "least cost" consideration into the CASCADE process of CAP III. Moreover, while least cost should be a consideration, MILPERCEN believes that it should not receive priority over existing distribution considerations.

(c) Conclusion: Consideration of "least cost" in the assignment of military personnel should be given a higher priority by all assignment managers.

(d) Recommendations:

1. That MILPERCEN give a higher priority to consideration of PCS move costs in the assignment of all officers, WO's and enlisted personnel in grade E-6 or higher.

2. That MILPERCEN determine the feasibility of incorporating consideration of PCS costs into the CAP III system and subsequently into PERDIMS by 1 October 1976.

(5) Inflation

(a) Problem: That regardless of the availability of accurate and current rate data, workload factors and move data, there will still be problems in managing the PCS program because of inflation.

(b) Discussion: OMB Regulation A-11 prohibits budgeting for inflation in the PCS budget. Since the nation is currently going through a period of high inflation, especially in the area of transportation costs, accurate cost and rate data at the time of budget submission will only result in understating the actual dollars required to execute the budget because of unprogrammed cost increases.

(c) Conclusion: Improvements in determining accurate PCS rates and moves and in controlling PCS funds will do nothing to alleviate the most serious problem confronting the management of the PCS program which is inflation.

(d) Recommendation: That an attempt be made to change OMB's Regulation A-11 so that the effects of inflation can be considered when preparing the PCS budget and can be incorporated into the PCS rates.

(e) Actions Already Taken: ODCSPER has submitted a paper to the Comptroller of the Army recommending that escalation indices to account for inflation be developed and forwarded to OSD Comptroller for use in the future preparation of those portions of the MPA Budget directly affected by inflationary trends (includes PCS travel). This subject has been addressed by SECDEF and the Director of OMB. There will be no change by OMB in the near term.

b. Study Group B (Part III) Determination of PCS Rates and Workload Factors:

(1) Problem: There is presently no accurate method for determining rates and workload factors required for preparation of the PCS budget, for relating obligations to expenditures and for monitoring the status of PCS funds expended during the budget year.

(2) Discussion: Funds for a PCS move are obligated when the member departs his old station. Actual disbursement of funds to cover the cost of the move will span a period of months (or even years) depending on the extent of involvement of the various entitlements. Currently there is no accurate method available to relate expenditures to obligations or to determine accurate rates and workload factors for each category of travel. The US Army Finance and Accounting Center (USAFAAC) does prepare a report (CSGPA 844), based on a small sample of travel and transportation documents received at the center, that attempts to provide average rates for the various categories of travel. This report is not based on scientific sampling procedures and has been too inaccurate to be of much use. As an interim measure, USAFAC has submitted a proposal to improve this report so as to provide accurate rates and workload factors that can be used by ODCSPER. Additionally, USAFAC has developed a concept for the control of PCS disbursements that will provide a means for associating disbursements with obligations and provide more accurate rate and workload data. This proposal will require more time and resources to implement and will require additional staffing and coordination. A complete description of both these proposals is contained in Part III of this study and in Annex C and Annex D.

(3) Conclusion: That there is a requirement for a system to provide more accurate rate and workload factors and to enable ODCSPER to better relate disbursements to obligations.

(4) Recommendations:

- (a) That, as an interim measure, the present cost factor report prepared by USAFAC be eliminated and a revised report using movement workload data from DSSN's and disbursement dollar data from current expenditure reports be initiated (See Annex D).
- (b) That USAFAC's proposed new concept for accounting for PCS disbursements, as outlined in Part III and Annex C be reviewed by all agencies involved for implementation on 1 October 1976.

(5) Actions Already Taken: USAFAC has been given authority to discontinue the present inaccurate monthly cost factor report and to initiate the new interim cost factor report (Annex D) in September 1975.

5. Summary: The current emphasis on reducing PCS costs coupled with high rates of inflation requires that available PCS funds be well managed. The recommendations listed in this study will improve the accuracy of the data currently available to ODCS PER and provide additional data with which to prepare and manage the PCS budget. This study does not address the personnel policies that cause a PCS move to be made. The results of this study can only be used to improve management of the PCS program within existing policies.

PART II

REPORT OF STUDY GROUP A

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PART II - REPORT OF STUDY GROUP A

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GENERAL

1. Problem:

As the Appropriation Manager of the MPA Appropriation, The Deputy Chief of Staff for Personnel (DCS PER) is responsible for budgeting and controlling the Permanent Change of Station (PCS) obligations and expenditures. Liquidation of PCS travel obligations spans a period of several months depending on the extent of involvement of categories of entitlement. Because of the variables of PCS travel costs, the length of time needed to complete a PCS travel action, and the delay that occurs between the time an obligation is generated and disbursement of the funds for the move is made, care must be exercised in determining the amount of funds required. Currently ODCS PER does not have the capability to match PCS disbursements to related estimated obligations. Consequently ODCS PER encounters problems in accurately determining the status of PCS funds during the fiscal year. This inability to match disbursements to individual PCS moves make an accurate estimate of current PCS rates and rate analysis very difficult. Additionally, inaccuracies in the personnel reporting system, errors in the use of Movement Designator Codes on PCS orders, and the inability to accurately forecast future PCS moves makes it difficult to estimate the status of funds at any point in the fiscal year.

2. Background:

a. Purpose:

This section of the study was accomplished by the Office of the Deputy Chief of Staff for Personnel, HQDA, assisted by the US Army Military Personnel Center, OCOA and ODCSLOG. Results will be utilized by ODCS PER to assist in establishing a more effective method of controlling PCS funds.

b. Scope:

This section of the study evaluates the current PCS Program. Considered are all possible factors that influence the obligation and expenditure of PCS funds to include programming, budgeting, forecasting and controlling PCS moves. Part III considers the methods for controlling PCS expenditures. This study does not consider personnel policies that cause a PCS move to be made, but only those procedures that affect the control of PCS funds.

3. Approach to the Problem:

Initially, Study Group A examined the current system to include PCS programming and budgeting procedures and PCS assignment and control procedures. After an analysis of the system was completed, major problem areas were identified and examined in more detail. Many measures have already been taken or have been initiated that have reduced the magnitude of some of the problems, or which offer promise of providing solutions in the future. Those actions that have already been taken or initiated are indicated in the discussion of each finding..

DESCRIPTION OF CURRENT SYSTEM

A. PCS BUDGET PREPARATION

1. General:

The PCS budget is developed by relating anticipated move requirements for the budget year to rates for the current fiscal year. The rates, which describe an annual average cost per move, are adjusted to allow for known rate increases. The rates cannot be adjusted upward for inflation or anticipated increases in transportation costs since OMB policy prohibits budgeting for inflation. The two fundamental steps involved in the preparation of the PCS budget are the calculation of PCS move rates and the estimation of PCS move requirements. They are combined to produce a budget request for PCS move money. If an amount less than that requested is approved by Congress, rates must be applied to the approved dollar totals to calculate allowable moves within dollar constraints.

2. Estimating Move Requirements:

a. There are six categories of PCS travel which must be budgeted for:

- | | |
|-------------|---|
| Operational | - Intra-CONUS or Intra-Overseas |
| Training | - CONUS PCS location to PCS school or PCS school to CONUS PCS location |
| Rotational | - Between CONUS and Overseas or between Overseas Areas (involving oversea or over ocean travel) not including accession moves to or separation moves from overseas. |
| Separation | - From PCS location either in CONUS or Overseas to home of record or point of entry for separation. |
| Accession | - From point of entry to first PCS location either in CONUS or Overseas. |
| Unit | - Movement as part of an organized unit move between PCS locations. |

b. The type of PCS category being estimated determines the manner in which move requirements are calculated. At Figure 1 are the formulas used to calculate move requirements for each category of travel. In general:

(1) Both accession and separation moves are based on the manpower program. Officer gains and losses are translated directly into accession and separation PCS moves. In order to determine the number of enlisted accession moves required, enlisted gains are reduced by the number of immediate reenlistees who reenlist for their own position. Enlisted losses are reduced by the number of immediate reenlistments, those discharged to accept commissions and those dropped from military control.

(2) Training move requirements are based on the projected training input provided by the Training Division of ODCS PER.

(3) Operational moves are estimated based on a ratio of operational moves to many years experienced in previous years.

(4) Estimates of rotational moves to and from overseas are based on projected oversea strengths and historical data on actual oversea tour lengths in the various oversea areas. Accession moves to overseas and separation moves from overseas are subtracted out.

(5) Unit moves are based on a unit move schedule provided by ODCS OPS.

FY 7th and Subsequent Years
ARMY PCS MOVE CALCULATIONS

ACCESSION

Off. Moves = # Accessions

Enl. Moves = # Non-prior service
+ # Reserve/Nat. Gd. to active duty
+ # Prior Service
- # Reenlist for own position

TRAINING

Off. Moves = Training Input x 2
- # Rot. To & From O/S
- # No-Cost Moves
- # Accession Driven

Enl. Moves = Training Input
+ # Input w/2 Moves
- # Rot. To & From O/S
- # No-Cost Moves

OPERATIONAL

Total Moves = Avg. Army Str (MY) x % of OPN moves/MY (includes known adj.)

Off. Moves = % x Total Opn. Moves

Enl. Moves = % x Total Opn. Moves

ROTATIONAL

Off. & Enl. From O/S = Country Beginning Str. x 12
Average Tour Length
- # rotate from O/S for separation

Off. & Enl. TO O/S = Country End Str.
- Beginning Str.
+ Total from O/S
- # Accessions to O/S

SEPARATION

Off. Moves = # Losses

Enl. Moves = # Losses
- Immediate reenlistments
- # Dropped from military co.
- # Discharged for commission

UNIT

Off. & Enl. Moves = Authorized Str. x % Estimated to move

3. Estimating Work Load Factors: Once PCS move requirements have been determined, work load factors for the various travel entitlements (dependent travel, shipment of household goods, dislocation allowance, shipment of POV's, trailer allowance and non-temporary storage) must be determined. These workload factors are based on historical data, expenditure and cost data from USAFAC, MAC, MSC, and MTMC and personnel surveys conducted by MILPERCE).

4. Estimating Rates:

a. Rates to be used in the budget are based on the average rates actually experienced in the last completed fiscal year plus any announced and approved rate increases. Thus, the first step in determining rates to be used in the budget is to determine the rates experienced in the previous fiscal year. These rates are determined by estimating actual expenditures by category and dividing by actual moves made for the fiscal year.

b. In estimating actual expenditures by category for the previous year certain problems are encountered. Funds for a complete PCS move are obligated at the time a member departs his old duty station for his new station. Because of the time between the time a member departs on PCS orders until all the costs for that move are received and paid for by the Finance Center, the total funds expended during the life-time of the appropriation (3 years) for each category of travel are not precisely known at the time the budget is being prepared. Historical data on lag time between obligations and expenditures for each travel category and for each allotment within each category are used to project expenditures for the life of the appropriation. This methodology fails to pick up unanticipated surges or increases and can cause serious errors in the determination of actual expenditures. Expenditures are received monthly from the US Army Finance and Accounting Center (USAFAC). The expenditures by travel category for each monthly period are those expenditures processed during that month by the local finance offices and USAFAC. Expenditures are not related to month of obligation or month the travel or service was actually rendered. Expenditures are charged against the appropriate project number according to the Movement Designator Code that appears on all PCS orders.

c. The number of PCS moves by category executed during a fiscal year is also keyed to the MDC appearing on all PCS orders and which is reported through SIDPERS on all departure transactions. A monthly report of PCS moves made by MDC is provided to the ODCS PER (RCS DCSPER 118).

d. Rates for each category of travel are then determined by dividing estimated expenditures by the number of moves made (using an appropriate work load factor where applicable).

5. Final Budget Preparation: Once move requirements, work load factors and rates have been estimated, they are used to determine the dollar amounts required for each category of travel. These dollar amounts make up the total PCS budget request.

B. MILPERCEN PCS ASSIGNMENT PROCEDURES

1. General: This chapter briefly describes the PCS assignment procedures, both officer and enlisted, used by MILPERCEN. In general, MILPERCEN does not become involved in the programming and budgeting of PCS moves. Moreover, except for ceilings on CONUS operational moves, MILPERCEN assignment managers are not restricted by move ceilings or dollar constraints. Assignments are driven by validated requirements constrained by current PCS policies.

2. Officer Personnel:

a. Assignments of officer personnel are driven by valid requisition requirements from the field. Officer assignments are essentially made manually by Officer Personnel Directorate (OPD) assignment officers who fill valid requisitions according to general policy guidance. At Annex A is a brief description of the Officer Requisition System (O-5 and below) and OPD's stabilization guidelines to be followed by all assignment officers.

b. Once an officer is selected to fill a valid requisition, a Request for Orders (RFO) is sent to the losing organization with an information copy to the gaining organization. This RFO is normally prepared approximately 3-4 months in advance for movement to and within CONUS and approximately 7-8 months in advance for overseas movement. A Movement Designator Code (MDC) is placed by OPD on all RFO's to indicate the type of travel to be performed and the proper fiscal code to be charged. Assignment officers are not given any dollar constraints to consider in making assignments. Currently ODCSPER has established ceilings for three movement categories for FY 76. These categories are training, operational and rotational. Thus, within the general policy guidance contained in Annex A, which includes instructions to consider "least cost" in assigning equally qualified personnel, assignment officers make assignments to fill valid requisitions without regard to budgeting constraints. However, assignment personnel are fully aware of recent PCS funding problems and are genuinely interested in reducing PCS moves and costs to a minimum.

3. Enlisted Personnel:

a. Enlisted personnel are assigned to fill validated requisitions. Enlisted Distribution Division, Enlisted Personnel Directorate (EPD) receives requisitions monthly from major commands, edits and validates these requisitions, and enters them into the CAP III (Centralized Assignment Procedures) system.

b. The system:

(1) Records in a master file all requisitions for enlisted personnel. The bulk of the requisitions are field submitted, with the remainder (called "M" allocations) submitted by EPD when an individual must be reassigned but no requisition exists, such as in the case of an individual returning from overseas. The system will perform an edit of preestablished data before accepting the requisition into the file.

(2) Selects enlisted personnel from the Enlisted Master File (EMF) to fill

these world-wide requirements. The criteria for selection are predefined by EPD and instructions are provided to the system in the form of parameter cards.

(3) Matches available soldiers to the world-wide requirements according predefined criteria. These criteria are provided in the form of parameter cards describing those personnel qualifications and other eligibility factors that are acceptable in matching the requirements of the requisition. The result of this match produces a nomination that is provided to the MOS manager.

(4) Posts the assignment transactions to the requisition history file and the EMF.

(5) Prepares the assignment information actions for transmission, via AUTODIN, to the SIDPERS FACILITIES.

(6) Permits rapid changes to correspond to changing personnel requirements and policies. This is accomplished by permitting EPD to control the system through a range of variables by submitting predefined conditions on parameter cards.

c. The CAP III system can be divided into five subsystems: edit; requisition; personnel and policy preparation; assignment; and output. The key feature of CAP III is that it permits eligible personnel to be matched to the ordered requisitions by a computer technique called CASCADE. It is the CASCADE technique that matches a man to a job. At Annex B is a schematic of the CASCADE process.

d. Regardless of the type of assignment action, the matching of individuals to requisitions is accomplished in the same fashion. Personnel are compared to the requisitions to determine if they satisfy the requirements. The personnel unsuccessfully matched against particular requirements are cascaded or "bumped" to subsequent requisitions.

e. During the cascade phase each individual's 3 position PMOS is checked against a block of requisitions. If there is a match, a check is made for command eligibility. Following this check is a test to determine if the asset has the special qualifications called for by the requisition. The asset must meet the three tests just listed in order to be considered further. No points are awarded for a successful match on these tests. They just establish the basic eligibility.

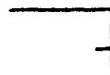
f. Following the initial qualification tests described above, the individual is awarded a point score (as established by the assignment parameter cards) which signifies the degree of match against each requisition considered. The asset will be applied against the first requisition where a qualification on all tests occurred. This happens regardless of point score. If another asset comes up with a higher point score for the same requisition, the first asset is bumped and the asset with the higher point score takes his/her place. The one that was bumped will continue to cascade until there is another match or until no other requisitions remain in which case he/she becomes unused.

g. All assets are first considered for a match in their PMOS. Any asset that does not qualify in the preliminary tests as stated in Para 3b above and all assets that did not match to any requisition in the primary phase are passed through other MOS phases as designated by the sequence control parameter card.

These are called the Secondary MOS, Substitute 1 level, 2 level and 3 level phases. Any asset assigned or nominated in one phase will not be bumped during the other phases of CASCADE.

h. The tests in CASCADE are as follows:

- (1) 3 digit PMOS
- (2) Assignment command
- (3) Special qualifications
- (4) Area of preference
- (5) Sex
- (6) Pay grade
- (7) Category number
- (8) Skill level (4th digit of MOS)
- (9) Special Qualification Identifier
- (10) Security clearance
- (11) ETS for first termers
DEROS for AOR's
DROS for POR's
- (12) Language
- (13) Additional Skill Identifier
- (14) Availability month



No points for these

i. Parameter cards put into the system apply policies that are directed in current regulations as well as assignment restrictions and limitations as determined by the Director, Enlisted Personnel. Many of these restrictions are short term and may be changed from week to week to reflect a current situation.

j. Consideration of move costs is not a test in the CASCADE system.

k. Although personnel are matched to requisitions by nominations or projections, final assignments must be approved by the EPD assignment managers.

l. From one to nine nominees can be selected by the computer. The computer normally selects only one nominee for each assignment. Nominations are received by assignment managers and reviewed to determine which personnel files are needed to complete the evaluation. If the soldier in the nomination is an E-6 or higher, the manager will review the personnel file to insure that the data on the EMF used by CAP III is the latest available. Assignment managers will then reject or accept the nominations.

m. Once a nomination is approved, assignment instructions are passed to the field, via AUTODIN, where by-name rosters and punch cards are prepared by SIDPERS. The CAP III system does not place the MDC on the assignment instructions. It is the responsibility of the orders clerk at the MILPO who prepares the PCS orders to select and place the correct MDC on enlisted PCS orders.

FINDINGS AND RECOMMENDATIONS

1. Forecasting PCS Moves.

a. Findings: The agencies/staffs responsible for ordering the PCS movement of Army military personnel are unable to provide accurate short range forecasts of PCS move requirements by categories of travel required by Congress in the PCS budget.

b. Discussion:

(1) Long range PCS move estimates used by ODCSPER to prepare the PCS budget are generally good and are the best estimates available at the time the budget is prepared. Just prior to and during execution of the budget there is a continuing requirement to update the PCS move projections in order to estimate the current and year end status of PCS funds. Because PCS move forecasting for budgetary purposes has been done by ODCSPER, MILPERCEN has not been required to provide move forecasts. Consequently, MILPERCEN has not developed procedures for accurately forecasting up to twelve months in the future move requirements by categories of travel contained in the budget. In such categories as accession and separation moves, these forecasts are now being accomplished by the Manpower Program. However, in such categories as operational, training and rotational travel, MILPERCEN should develop methods to project move requirements during the fiscal year. This may require certain changes in the method of categorizing moves used by MILPERCEN in order to adhere to the categories of travel required by Congress in the budget. The MDC is not used in the assignment process for enlisted personnel at EPD. Since the MDC indicates the category of travel being performed as required in the budget, the MDC should be a key element in the assignment process. The current inability of EPD to forecast PCS moves by budget category was demonstrated during FY 75 in connection with the involuntary oversea tour extensions required because of anticipated budgetary shortages. In order to estimate the dollar requirements for rotational moves for the last quarter of FY 75, ODCSPER tasked MILPERCEN to provide estimates of the number of rotational moves to be executed for each of the last four months of FY 75. EPD could not provide this critical item of information primarily because CAP III is not able to identify a rotational move. Thus a message had to be dispatched to the field requesting this information from the MILPO's. The information received from the MILPO's was very inaccurate. The fact that EPD and the MILPO's were unable to forecast accurately the number of rotational moves to be performed only one to three months in the future should not be considered as a condemnation of CAP III and EPD. The system was not designed to forecast moves and in particular was not designed to categorize moves as required in the budget.

(2) Consequently, EPD was requested to determine the feasibility of incorporating the MDC into the CAP III system (and subsequently into PERDIMS) so that MDC's could be placed on all enlisted assignment instructions. The results of their study are as follows:

(a) It is feasible to incorporate into the CAP III system the capability to machine generate and place on all enlisted PCS assignment instructions the appropriate MDC but the following items should be considered before a decision is made to do so:

1. The MDC could be generated as a result of an EPD assignment action, however, without a system change to the worldwide SIDPERS, it could not be sent to the field. Also, a systems change would be required to the CAP III system.

2. The CAP III Losing Command Assignment Information Card (AID), as shown in Change 26 to Appendix C, AR 614-200, is filled and to include an MDC would require the elimination of another element of data. Before any decision is made to eliminate elements, all concerned should have an opportunity to discuss essentiality of elements.

3. If the MDC were generated and stored on the CAP III historical file, then a report could be produced that would provide EPD directed moves by month by MDC. PERSINSD should be asked to provide a time estimate of programming this logic.

(3) Additionally, MILPERCEN indicates that:

(a) The CAP III System as presently configured cannot provide the total assignments made categorized by movement designator codes since not all assignments are made via the CAP III System. The following categories of assignments are not included in CAP III.

1. AIT assignments.
2. Individuals assigned as non-permanent party.
3. TDY enroute to PCS and TDY pending further PCS orders.
4. ETS.
5. Retirement.
6. Individuals who are dropped from the roles.
7. Other assignments which, due to information errors, fail to be processed.

(b) Since CAP III is not the sole source of data required to develop a total MDC data base, an entirely new system would be required. A feasible solution to the problem would be the utilization of SIDPERS input from the field to an automated system. The improvement of reliability of input to SIDPERS is a function of an edit check which should be integrated into the SIDPERS system. However, when the large number of currently available MDC's, their multiple application, and personnel status codes (PP, TR, ST, ES, DP, PR and the like) are considered, an edit table could become unwieldly due to the number of "conditional statements" required to pass the edit. This emphasizes the need for a reduction of PCS MDC's required for budget purposes. Unless early decisions are made concerning incorporating changes into PERDDIMS, it is not likely that modification can be operational by Oct 76.

(4) As a first step in getting all distribution agencies/staffs involved in PCS forecasting, ODCSPER required FY 76 move projections by category of travel for each month of FY 76 to be submitted by 30 June 1975. Although these initial projections contain some obvious errors, the procedure was a good initial step in getting the distribution agencies involved in the forecasting process.

c. Conclusion: A method to forecast PCS moves for up to 12 months in the future by the categories of travel contained in the budget is required and should be developed by the agencies/staffs responsible for ordering the PCS movement of military personnel.

d. Recommendations:

(1) That all agencies/staffs responsible for the PCS movement of military personnel be required to develop PCS forecasting methods and submit to ODCSPER yearly PCS move forecasts. At a minimum these move forecasts should be updated quarterly.

(2) That MJLPERCEN continue to study the feasibility of incorporating the MDC into the CAP III system (and PERDIMMS) and placing the MDC on enlisted

assignment instructions and submit to ODCSPER a more detailed analysis of the costs and reprogramming efforts involved and recommendations on solving problems posed in the discussion above.

2. Movement Designator Codes

a. Findings: That there is an unacceptably high error rate in the placement of MDC's on PCS orders.

b. Discussion:

(1) A key element on a PCS order is the MDC. This 4-character code is placed on travel and transportation documents and converted to a fiscal code by finance personnel to charge the correct fiscal account. As such, it describes the category of travel being performed in accordance with budget requirements. The MDC appearing on the PCS order is also placed on the SIDPERS Departure Transaction when a member signs out of his old unit on PCS orders. These departure transactions are the basis for the PCS Move Report (DCSPER 118). Thus, wrong MDC's on PCS orders give an incorrect picture of the number of moves made for each category of travel and further complicate the problem of determining cost estimates and rates. Correct MDC's on PCS orders are absolutely necessary for the effective control of PCS funds and moves.

(2) For all officer PCS moves OPD places a MDC on all Request for Orders (RFO) sent to the field. Therefore, it is a relatively easy matter to determine where errors are being made in the use of MDC's on officer orders and to correct these errors. A spot check of 185 RFO's issued by OPD in April 1975 determined that there were 9 incorrect MDC's for an error rate of 5 percent. This is too high but easily correctable since most of the errors were traceable to one assignment officer. The major problem is not with officer orders but enlisted orders. In December 1974 the Army Audit Agency (AAA) issued a report on its audit of the MPA appropriation to include the PCS budget. In a survey at three Army installations the AAA audit disclosed the following errors in the use of MDC's on PCS orders:

(a) At Fort Ord an examination of 140 PCS orders disclosed that 14 to 20 percent of the orders contained MDC's citing an incorrect fiscal year. About one half of these errors occurred during the months of June and July.

(b) At the Presidio of San Francisco a review of PCS orders disclosed that 16 percent of them contained incorrect MDC's. The individual's departure date was not being determined by using the computation specified in Ar 310-10.

(c) A review at the 45th Finance Section, Europe of 70 PCS orders prepared by the Kaiserslautern Army Regional Personnel and Administration Center and the 32d Army Air Defense Command revealed that 50 percent cited MDC's which did not agree with the movement described in the orders. Of these, 18 percent contained an incorrect fiscal year designator.

(3) The problem is in the field where an orders clerk is responsible for determining what MDC must appear on enlisted orders. Admittedly, Chapter 4 of AR 310-10, the regulation that prescribes what MDC's are to be used, is out of necessity, complicated. Recent editing changes have been made to clarify this regulation and these changes appear in a revised AR 310-10 distributed to the field in the Fall of 1975. Additionally, the following actions have been taken in an attempt to lower the error rate of MDC's placed on PCS orders and corresponding transportation and travel documents:

(a) Publicizing the importance of correct MDC's on PCS orders through MILPERCEN publications such as TIPS and FOCUS.

(b) The subject of MDC's was placed in The Army Inspector General Newsletter and inspectors will inquire into the effectiveness of management controls which govern the MDC during general inspections in FY 1976 within the limits of available time and personnel.

(c) The importance of MDC's on PCS orders was emphasized to Senior Army Personnel in the CSA Weekly Summary.

(d) A request has been submitted to MILPERCEN to have the DA Military Personnel Management Teams check orders issuing agencies in the field to insure that all personnel are adhering to the provisions of AR 310-10 when placing MDC's on PCS orders. This will begin on 1 December 1975.

(4) The above actions should make everyone aware of the importance of MDC's on PCS orders. Unfortunately, as long as there are new and inexperienced personnel in the field responsible for determining what MDC to place on PCS orders there will always be errors. Therefore, what is desirable is a system such as that used presently by OPD for officer assignments where an MDC is placed on the enlisted assignment instructions by EPD.

c. Conclusion: There is a requirement to reduce the error rate in MDC's appearing on PCS orders, especially on enlisted orders.

d. Recommendations:

(1) That MILPERCEN restudy the feasibility of including the MDC on assignment instructions issued by EPD.

(2) That, until such time as the MDC can be added to all assignment instructions, commanders and inspectors general at all levels should be instructed to place additional emphasis on insuring that all PCS orders and associated travel and transportation documents contain the correct MDC.

3. Reporting of PCS Moves

a. Findings: The report of actual PCS moves executed during each month of a fiscal year (DCSPER 118 Report) has been improved within the last year but still contains some inaccuracies.

b. Discussion:

(1) ODCSPER receives a monthly report of PCS moves from MILPERCEN called the DCSPER 118 Report. This move report tabulates PCS moves for officers and enlisted personnel by MDC and is based on departure transactions submitted through SIDPERS.

(2) Prior to March 1975 this monthly report tabulated moves by the month the departure transaction was received at MILPERCEN and not by month of actual departure. The average delay from the time a move occurred and the time a departure transaction was received at MILPERCEN was 17 days. Therefore, a report, as of the end of a month, only picked up those moves which took place before the 13th of the month. In March 1975 a new section was added to the DCSPER 118 Report. In this section, moves are tabulated by month in which the move was actually initiated. The monthly totals are updated as changes or late transactions arrive at MILPERCEN. This new section has corrected many of the shortcomings of the previous report.

(3) Unfortunately, the accuracy of the report is still not good, especially in the area of accession and separation moves. This is due mainly to the fact that incorrect MDC's are being placed on the departure transactions. The problem of incorrect MDC's on PCS orders has been addressed above. SIDPERS does perform an edit of the MDC's appearing on all departure transactions but only checks the validity of the MDC. Recent checks of this edit procedure discovered several minor errors which have been, or are in the process of being corrected.

c. Conclusion: Inaccuracies in the present PCS move report are due primarily to inaccurate MDC's placed on PCS orders and SIDPERS departure transactions.

d. Recommendations:

(1) That MILPERCEN expand the SIDPERS edit programs to not only check the validity of MDC's placed on all departure transactions, but also to check the accuracy of the MDC's.

(2) That commanders and inspectors general at all levels be instructed to insure that all PCS departure transactions are posted to SIDPERS and that they contain the correct MDC.

4. Least Cost Moves

a. Findings: In general MILPERCEN does not consider PCS costs as a primary criterian when making assignments of personnel.

b. Discussion:

(1) It is DA policy to consider "least cost" in the assignment of military personnel. PCS costs are considered by OPD only in the assignment of equally qualified officers to fill the same valid requisition. Generally, EPD assignment managers do not consider PCS costs in the assignment of enlisted personnel. EPD was asked to study the feasibility of incorporating a "least cost" test in the CASCADE process of CAP III. EPD reported that it would not be feasible, and highly impractical, to attempt to incorporate a "least cost" move consideration in the CASCADE process for the following reasons:

(a) All the data needed to accomplish a "least cost move" determination are not available on the enlisted master file (EMF). The only elements available are the number of dependents and the current location if dependents are residing with the sponsor. One of the principal elements missing is the designated location of dependents if they are not to accompany the soldier. Other elements not available, but necessary for consideration are--

1. Size of household goods (HHG) shipments.
2. Destination of HHG shipments.
3. Whether or not a privately owned vehicle (POV) is to be shipped.
4. Information on the number of dependents to accompany sponsor.
5. Size of nontemporary storage.

(b) Without consideration of all of these factors, a true "least cost move" cannot be determined since most of the cost of PCS moves is in the movement of dependents and HHG's. Consideration of these factors would have to be accomplished manually by career managers after contacting the individual concerned. To accomplish this would be costly in time and manpower and is not within the capability of the career divisions as currently structured.

(c) To attempt to obtain necessary information on a one-time basis to place it on the EMF for future consideration in the CASCADE process, would be futile. Most soldiers cannot predetermine what action they will take until the time they receive PCS orders. Even if information were obtained, it could not be kept current. Additionally, the individual soldier would not be bound by this requirement.

(2) The above problems are formidable and appear to mitigate against considering "least cost" in the assignment of lower ranking enlisted personnel. Since the PCS costs of lower ranking enlisted personnel are generally low when compared to those of officers and senior NCO's, MILPERCEN could give more consideration to "least cost" in assigning officers and senior NCO's since personnel files on these individuals are available to assignment managers.

c. Conclusion: Consideration of "lease cost" in the assignment of military personnel should be given a higher priority by all assignment managers.

d. Recommendations:

(1) That MILPERCEN give a higher priority to consideration of PCS move costs in the assignment of all officers, WO's and enlisted personnel in grade E-6 or higher.

(2) That MILPERCEN determine the feasibility of incorporating consideration of PCS costs into the CAP III system and subsequently into PERDIMS by 1 October 1976.

5. Inflation

a. Findings: That regardless of the availability of accurate and current rate data, workload factors and move data, there will still be problems in managing the PCS program because of inflation.

b. Discussion:

(1) OMB Regulation A-11 prohibits budgeting for inflation in the PCS budget. Since the Nation is currently going through a period of high inflation and cost increases, especially in the area of transportation costs, accurate cost and rate data at the time of budget submission only result in understating the actual dollars required to execute the budget because of unprogrammed cost increases. At Figure 2 are some figures showing how inflation has affected the PCS budget.

Figure 2

Shown below are examples of how inflation has increased PCS rates:

	Rate/POV			% Increase	
	FY 71	FY 74	FY 75	FY 76 Est	FY 71 to FY 76
Shipment of POV	\$260	\$360	\$675	\$732	182%
	Cost/Move			% Increase	
	FY 71	FY 74	FY 75 Est	FY 76 Est	FY 71 to FY 76
Shipment of HHG Land	\$ 81	\$251	\$303	\$357	341%
Rotational Move Costs	Avg Costs/Move			% Increase	
	FY 74	FY 75 Est	FY 76 Est	FY 74 - FY 75	
To Europe					
Officer	2,706	4,217	4,665	56%	
Enlisted	872	1,394	1,550	60%	
From Europe					
Officer	3,164	3,955	4,556	25%	
Enlisted	954	1,388	1,513	49%	

(2) A paper was submitted to the Comptroller of the Army recommending that escalation indices to account for inflation be developed and forwarded to OSD Comptroller for use in the future preparation of those portions of the MPA Budget directly effected by inflationary trends (includes PCS travel). The OCDA responded that since the subject had recently been addressed at the SECDEF/OMB Director level no further action could be taken at this time.

c. Conclusion: Improvements in determining accurate PCS rates and moves and in controlling PCS funds will do nothing to alleviate the most serious problem confronting the management of the PCS program, which is inflation.

d. Recommendation: That attempts continue to be made to change OMB's Regulation A-11 so that the effects of inflation can be considered when preparing the PCS budget and can be incorporated into the PCS rates.

PART III
REPORT OF STUDY GROUP B

PART III - REPORT OF STUDY GROUP B

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ABSTRACT

1. This study gives an analysis of USAFAC's accounting methods, consideration of USAFAC's data processing capabilities for support of a PCS data base, and provides a new concept for accounting for PCS Disbursements which will:
 - a. Provide accurate cost estimates by individual PCS moves.
 - b. Permit periodic comparisons of estimated obligations to actual payments.
 - c. Facilitate compilation and data analysis by types of PCS travel and aging of various type of travel from date of obligation until final disbursement.
2. The study identifies weaknesses in the current reporting system and proposes interim conceptual changes to improve the disbursement cost reporting. The MPA-PCS Cost Factors report (PCS CSGPA844) is currently identified as a primary source of information by DCSPER for development of forecasts. The method by which the report is developed requires a complete upgrading and revision of data being reported.
3. The USAFAC is identified as an agency which can adequately account for detailed obligations and disbursements and furnish accurate financial cost management data reports.

PURPOSE

1. The purpose of this study is to:
 - a. Analyze the system by which MPA-PCS move disbursements are made and how costs are reported to DCSPER by USAFAC current methods,
 - b. Provide an analysis of USAFAC data processing capabilities, and
 - c. Provide a concept for accounting for PCS Disbursements which will:
 - (1) Provide accurate cost estimates for obligations by individual PCS move,
 - (2) Permit periodic (monthly) comparisons of estimated obligations to actual disbursement payments, and
 - (3) Compile data and data analysis by type of PCS travel and age the various types of travel from date of obligation until final disbursement.
2. The study focuses on the identification of new concepts for accounting (recording and reporting) for MPA-PCS Disbursements, capabilities at USAFAC for Computer Processing, weaknesses of current reporting system, and where applicable, proposes management and organizational changes within USAFAC and outside elements.
3. The study is to assist DCSPER in establishing a more effective method of controlling MPA-PCS Funds.

BACKGROUND

1. This study is conducted to provide a concept for an effective system for controlling PCS obligations and expenditures, and a short run interim improvement system.
2. Since the late 60's, a MPA-PCS Cost Factors, RCS CSGPA844 report has been compiled and submitted by USAFAC to DCSPER. This report is based on sampling the number of moves, dollar amounts, average cost payments, percent factor of payment and rates on five of the six allotment serial numbers, and 15 of 39 sub-projects under the Project MPA 1400 for PCS movements as set forth in AR 37-100-75, 76. The sampling, however, is not developed on a statistical scientific sampling plan and, therefore, results in inaccurate mathematical projections. The moves, dollars and averages are not accurate cost factors for use in forecasts.
3. The study considered analysis of data presently available at USAFAC and the consolidation of all pieces of PCS-Travel Disbursements for Movements together into one composite system to provide accurate cost amounts by individual PCS movement, gaining improved management control of the PCS portion of the MPA Appropriation.

GENERAL

To control PCS Disbursements, provide accurate cost estimates by individual PCS moves, permit periodic (monthly) comparisons of estimated obligations to actual disbursements, and to facilitate data analysis by types of PCS travel with aging of various types of travel from date of obligation until final disbursement there must be correlation of data, establishment of data bases and a relation of costs versus benefits to the Military Personnel Army appropriation (MPA). This study presents concepts for immediate implementation (six months to one year) plus a concept for long range (two to three years) implementation in order to satisfy audit recommendations and congressional inquiries. The high level of turbulence in the active Army leads to a concern for the practicalities involved in budgeting and disbursement control. Further the concept of centralization versus de-centralization using computer capabilities and timing of source documents data processes is of great importance to improvements concepts. In this study the interim concept and long range concept fall into two distinct categories. The interim improvement plans follows current reporting methods and channels with improvement to the data furnished DCSPER at a cost to the Field DSSN's, USAFAC D&SN's, and additional financial compilations at USAFAC. The long range concept assigns a unique case control identifier for each individual PCS move, provides a timing element control, and provides for detailed comparison of estimated obligations to actual disbursements by type of travel. A reasonable cost for accounting and reporting is anticipated by effective computer usage at non-critical times and by use of autodin transmission of data.

ANALYSIS OF METHODS USED FOR ACCOUNTING FOR PCS DISBURSEMENTS

BY USAFAC - CURRENT

1. The present accounting system for PCS Travel disbursements at USAFAC requires:
 - a. Detail disbursement and accounting according to AR 37-103 and AR 37-108.
 - b. Summary accounting and financial reporting according to DA PAM 1-12 and AR 37-151.
 - c. Cost compilation reporting from a limited examination basis using data from internal USAFAC functions plus data from Field DSSN's.
 - d. Support and services function by computers and PCM equipment by Data Processing Operations.
2. Recording is accomplished by two computer systems and a PCM servicing system. Manual analyses and compilations of the output are required. The current system at USAFAC provides selected movement data with related financial data to DCSPER. The reports are in the form of formal RCS reports and informal non-RCS reports and are developed from the following sources:
 - a. In House USAFAC Disbursement and Accounting Functions.
 - (1) Transportation Operations. The use of raw source documents received from field activities of transportation requests (passenger transportation services) and Government Bills of Lading (freight carriers, van carriers, mobile home payments, and personal property shipments) are the primary inputs for disbursement and further accounting action. These actions consist of:
 - (a) Examination of Government Bills of Lading(GBL's), Government Transportation Requests (TR's), meal tickets, and payment (Disbursement) to military and commercial carriers and commercial contractors (vendors) for transportation service to Department of Army, Air Force, DOD, and other Government agencies.
 - (b) Data Conversion from raw source supporting documents, developing payment and collection actions.
 - (c) Disbursing in accordance with AR 37-103 and expenditure accounting required by AR 37-108.
 - (d) Report preparation (financial statements) utilizing Data Processing Operations services.
 - (e) Reports to GAO, other Government agencies, and USAFAC (DA) Accounting Operations.
 - (2) Field Services Office. Performs billing examination and disbursing and accounting services for Second Destination Transportation functions including MAC, MSC, MTMC (Port Handling). Prepares an informal report for DCSPER on specific PCS projects. Renders reports to USAFAC (DA) Accounting Operations and other agencies as required.
 - b. Cost Compilation and Reporting.
 - (1) Financial Histories Operations.

(a) Manually prepares a Cost Report (RCS CSGPA844) using the summarized data as a basis for making projections of number of moves and dollars. This report is prepared by:

1. Performing an examination of PCS Travel vouchers using the original Voucher Copy from the DSSN's.
2. Performing a very limited (10%) sampling of the PCS Travel vouchers using only one GS-4 employee for the examination and report development.
3. Extracting data from PCS DSSN vouchers and using separations listings and the CSCAA-III report from Transportation Operations on very limited basis.
4. Preparing key punch cards from these vouchers and listings and compiling summarized data pertaining to travel costs using EAM equipment.

(b) Advantages and Disadvantages of this cost report:

1. The only advantage of the current RCS CSGPA844 report is that currently very few resources are utilized in its development.
2. Disadvantages in the current procedure and cost compilation method are as follows:
 - a. The current method is untimely with a lag of at least three months after the disbursement before the RCS CSGPA844 report is submitted.
 - b. The methodology of sampling and projecting is invalid and not in conformity with recognized scientific sampling techniques.
 - c. The report encompasses only 16 of the 39 sub-projects of the MPA-PCS 1400 Program.
 - d. The report is not all inclusive of disbursements made against P1400 and does not depict numbers and amounts suitable for accurate forecasting.

(2) Field Services Office.

- (a) Compiles data from billings of MSC, MAC and MTMC.
- (b) Prepares informal (Non-RCS) report for DCSPER and renders report to DCSPER on the following limited group of sub-projects:
 1. For MSC the sub-projects 1419, 1449, 1479 and 1489 are reported for current fiscal year and prior two years and one detailed by officer, dependents, HHG and POV's.
 2. For MAC the sub-projects 1416, 1446, 1476 and 1486 are reported.
 3. For Port Handling (cargo) report data is reported by FY on HHG, POV.
 4. Item count shows for POV's only.

The report is prepared from data furnished by computer listings.

(2) Advantages and Disadvantages of the report:

- a. The only advantage is that the data developed cause only a minor re-usage.
- b. The disadvantage of such informal reporting and accumulation of data at the date is untimely.

(3) Data Processing Operations.

(a) DCSLOG - Transportation Activities. Receives data from Transportation activities concerning various types of transportation service. Data is converted to computer input. Data Processing Operations develops transportation activity reports for Military Traffic Management Command, Military Airlift Command and Director for Transportation (Army/Air Force).

(b) In House - Accounting and Financial Management - USAFAC Data Processing Operations. Performs accounting recordings, checkwriting, and output counting reports for all the components of USAFAC. The records are on magnetic tape, disc. Output is by hard copy listings, microfiche, and magnetic tapes.

(c) Summary and Consolidated Accounting and Reporting - USAFAC.

1. The Accounting Operations at USAFAC:

- a. Serves as an entity responsible for departmental (DA) level accounting and reporting.
- b. Functions as servicing accounts office (01).
- c. Consolidates Status of Funds and expenditure reports and prepares required reports for submission to OSD, Treasury and DA Staff.
- d. Coordinates with DCSPER on reporting disbursements monthly and receives obligated amounts of dollars for recording from DCSPER for the PCS travel portion of the MPA appropriation.
- e. Submits reports to DCSPER for Financial Management Usage (Annex E).

2. Further information regarding current methods and documents are depicted at Annex E.

NEW CONCEPT FOR ACCOUNTING FOR PCS DISBURSEMENTS (ANNEX C)

1. Assumptions:

- a. All travel orders will contain a travel order number. Uniform and consistent numbering will be used. The case number for each PCS move will be the order number and the SSAN of the service number.
- b. Obligations will be incurred by case number (AR 37-21).
- c. Case numbers will be determined from order number and SSAN.
- d. The PCS data base will contain the service members' identities by case number and all segments of the PCS Disbursements relative thereto by month of disbursement. Initial detailed obligation input may come from JUMPS departure data and orders pertaining to accessions.
- e. Multiple personnel on one order will have separate unique case numbers.
- f. Group (unit) Travel will detail obligated by case number money amount furnished by MILPERCEN. Disbursement will cite all disbursement data at 2nd level of MDC by allotment serial.
- g. Disbursement data will be forwarded by DSSN's on a daily basis by AUTODIN citing individual case number and disbursement dollars.
- h. Disbursement data from all DSSN's and cross disbursements will be by case number and input against a Master File of PCS movements at a USAFAC computer.
- i. The maintenance of a data base and processing of input of data with preparation of output of statistical and cost reports will be made by USAFAC ADPE. A preliminary analysis will be made by USAFAC. Reports will be rendered to DCSPER covering all aspects of the requirements as outlined in Annex C.
- j. Field DSSN's and USAFAC DSSN will be capable of absorbing additional workload at a minimum cost to the OMA Appropriation with a direct improved benefit to the control of PCS Funds and the MPA appropriation Program 1400 level by DCSPER.
- k. The computer processing at USAFAC will be done at a non-critical path time of pay processing and summary financial statement processing.

2. Facts:

- a. The new concept will cause impact on the Field DSSN's, USAFAC DSSN's USAFAC Data Processing Operations and DA (USAFAC) Accounting Operations.
- b. The new concept will furnish details of elements of costs relating to individual PCS movements.

3. Discussion:

a. Advantages:

- (1) Improvement to the control of PCS Funds will be made on a more timely and accurate basis.
- (2) Improved forecasting for budgetary purposes can be attained.
- (3) All pieces of a PCS move will be consolidated into structured actual total cost reporting for actual disbursements.
- (4) Reporting will be at a level for justification to Congress of costs incurred, by type travel, by time period and by category of travel i.e., member, dependent, HHG and by soldier rank.

b. Disadvantages:

- (1) Costs to gather the information for disbursements made, develop historical costs and keep statistical data on computer files will be incurred. (See Figure 12 at Annex C for estimates of annual costs to implement this new concept)
- (2) Additional DSSN participation will be required to develop and transmit data to USAFAC.

4. Conclusions:

- a. The new concept will improve MPA-PCS Fund Control by relating each move to actual costs.
- b. The new system of reporting will improve flaws in the current control of P1400 PCS Funding and will reduce time lag in adjusting obligations.
- c. Analysis and forecasting of needs will be enhanced by a single data source rather than pieces from various sources.
- d. The new concept will provide detailed obligations and expenditure data identified to the individual move. This identification will:
 - (1) Provide accurate cost estimates for obligations by individual PCS move.
 - (2) Permit periodic (monthly) comparisons of estimated obligations to actual disbursement payments, and
 - (3) Permit compilation of data and data analysis by type of PCS travel and the aging of the various types of travel from date of obligation until final disbursement.
- e. Appropriate validation of PCS travel input will be made against the active Army pay file by comparison to the JUMPS depart PCS messages and other files of SIDPERS and MILPERCEN.

CONCEPT FOR INTERIM IMPROVEMENT MPA-PCS COST REPORT (REVISED)

RCS CSGPA844 (ANNEX D)

1. Assumptions:

- a. The current RCS CSGPA844 cost report factor based on sampling will be eliminated.
- b. Workload data cannot be included and summarized with expenditure data through current automated accounting systems.
- c. Each DSSN will be required to submit a monthly feeder report to USAFAC reporting the number of payments that comprise MPA 1400 Program disbursements. The count will be reported at the sub project level by allotment serial numbers. USAFAC will process these reports by preparing a keypunch card for each line item of the report. It is estimated that 10,000 cards monthly will replace the approximately 7,500 cards used to support the present cost factor report which DCSPER finds unsatisfactory. These movement cards will be summarized monthly. This summarized workcount will be associated with applicable disbursements at the allotment serial sub project level and reported to DCSPER. This information will give DCSPER up to date cost factor information for FY 76.
- d. DCSPER may utilize the current financial reports from DA(USAFAC) for expenditure and forecasting information - the CSCAA-114 report (Status of Allocation) and its supporting detail (now furnished) and the revised CSGPA844 cost report which will give workload and money.

2. Facts:

- a. The current RCS CSGPA844 reporting is untimely, and under present compilation and sampling methods has unreliable data.
- b. The Field DSSN's and the USAFAC DSSN's will be levied to add statistical data to a feeder reporting system.
- c. The current financial reporting systems data will remain intact.
- d. The adding of statistical data with dollar data on a 100% basis will revise the report (RCS CSGPA844), and will improve timeliness of workload and dollars for DCSPER.

3. Discussion:

- a. Advantages:
 - (1) Combines reporting of statistical data for P1400 with financial data in one stream of reporting on a more timely basis.
 - (2) Gives statistical and expenditure data at a more comparable level by type of travel for all P1400 sub-projects.
- b. Disadvantages:
 - (1) Creates some increased field workload in preparing feeder data to USAFAC for vouchers processed.
 - (2) Creates some reprogramming of automated systems (TransOps)
 - (3) Revises present PCM summarization procedures currently in use for cost factor report.

4. Conclusions:

- a. Improved timeliness of reporting could be attained over the current cost reporting system by USAFAC.
- b. Indepth detail expenditure data would be reported with additional statistical data in one report.

5. Recommendations:

- a. As an interim measure the present current cost factor report RCS CSGPA844 procedure be eliminated.
- b. A revised RCS CSGPA844 report be implemented using movement workload data from DSSN's and using disbursement dollar data from current expenditure reports.

ALTERNATE CONCEPT FOR INTERIM IMPROVEMENT OF COST FACTOR

REPORT RCS CSGPA844 REPORT (SAMPLING)

1. Assumptions:

- a. USAFAC will develop an improved scientific sampling plan with a total universe (population) of monthly number of travelers and total dollars, monthly number of GBL's and total dollars and monthly number of MECHTRAM moves and total dollars for each allotment serial number within sub-project. From each universe develop an improved sampling plan utilizing more valid scientific techniques.
- b. From the sample, develop improved projections of average cost of members travel, of GBL's, and of the MECHTRAM system including MAC, MSC and MTMC and prepare the cost factor report using the current RCS CSGPA844 form.
- c. Improved cost factor instructions will be developed and used.

2. Facts:

a. The current RCS CSGPA844 report is an acceptable report to DUSPER providing the numerical data is accurate and the sampling is accomplished at a 95% confidence level.

b. The current RCS CSGPA844 Cost Factor report is considered unsatisfactory because:

(1) The present sampling plan is an examination of a fixed 10% of all PCS vouchers (800,000 series) with monthly selections made based on the last digit. A systematic sampling plan of this nature is inaccurate because of the possibility of introducing bias due to periodic or cyclical arrangement of vouchers. The major areas of failure in the present systemic examination plan are:

(2) The so called sampling is merely a 10% examination of total field PCS vouchers without any confidence level and not using valid sampling techniques. A true sampling would define the area to be sampled, i.e., members travel, dependents travel or household goods, establish a population for each area and a sample size necessary to establish a certain confidence level. The present examination of 10% of the vouchers with extracted data is not a valid indication of the distribution of data on the other 90% of the PCS vouchers.

(3) The compilation processes introduce further error. The vouchers comprising the 10% examination area are individually keypunched. After total keypunching is accomplished, the EAM personnel punch a 0 to the right of the money field, and the number of payments field in an attempt to extrapolate the 10% increment to 100%. To this total is added the actual count and dollars of travel separation payments from Military Payment Vouchers, and transportation operations payments (TR's, Meal Tickets, and GBL's) activity from the DSSN 5052 CSCAA 111. The addition of actual data to extrapolated data is of highly questionable validity and leads to distortions.

(4) The count furnished by Trans Ops on a copy of the CSCAA 111 concerning the number of TR's and GBL's paid is questionable. There are line items on the report for which no count is shown. Therefore doubt is cast as to the validity of other counts reflected on the CSCAA 111.

c. Scientific sampling plans are valid for depicting accurate costs and for projections under variable sampling plans and the use of valid sample tables and statistical computations and evaluations.

d. Present resources could be expanded to prepare a more accurate RCS CSGPA844 cost report within USAFAC.

3. Discussion:

a. Advantages:

- (1) No new report requirement is required from the field.
- (2) More accurate workload and costs could be given to DCSPER.

b. Disadvantages:

- (1) Some additional resources would be required to sample properly within USAFAC.

(2) Timeliness of data is subject to receipt of original vouchers from DSSN's and processing time within USAFAC.

4. Conclusions:

a. Improved accuracy to the current cost factor reporting could be attained.

b. No impact on field DSSN's would result from improving the present cost factor plan.

5. Recommendations:

a. As an alternative to consider, the current RCS CSGPA844 report format be continued and improved by revising cost factor report preparation instructions.

b. USAFAC use a more valid scientific sampling plan.

c. USAFAC realign in house resources to develop and implement an improved cost factor report.

d. Command emphasis be made to attain more timely receipt of the PCS original vouchers from the field DSSN's.

ANALYSIS OF DATA PROCESSING CAPABILITIES AT USAFAC APPLIED TO
PROBLEMS OF CONTROLLING PCS DISBURSEMENTS

1. Capability of current equipment for recording and report purposes.
 - a. The capability of present computer configurations does not permit implementation of the new long range concept (Annex C) because of current saturation. Acquisition of the fifth UNIVAC - U - 494 will provide sufficient run time to support the new concept.
 - b. Computer programmer and computer analyst capability exists to implement the new long range system. This capability is subject to the priorities of other projects and normal program maintenance.
 - c. The monthly computer run for the new concept could be scheduled to run during the non critical path time frames.
2. Impact of the new long range concept.
 - a. The estimated computer time required by the new conceptual plan (Annex C) is sixteen hours per month. A maximum of a two million record file would handle three fiscal years of active data. The data of the three fiscal years would require approximately eight reels of tape per fiscal year for a total of twenty-four reels. AUTODIN time is considered to be available.
 - b. The new interim system will have no computer impact. An EAM card system will be used to summarize workload data and associate with expenditures at sub project level by allotment serial number. A maximum of 10,000 cards would need to be punched and summarized instead of the present 7,500 cards now punched to support the present report.

CONCLUSIONS

1. Analysis of methods used for accounting for PCS disbursements by USAFAC - Current.

- a. Disbursing and accounting at USAFAC DSSN's in general adheres to AR 37-103 and AR 37-108.
- b. Summary accounting and financial reporting by DAO in general adheres to DA PAM 1-12 and AR 37-151.
- c. Cost compilation and reporting to DCSPER by the RCS CSGPA844 report has many weaknesses. Thus cost reporting must be improved as an interim measure for improving PCS Disbursement Control.
- d. The support services' computers at USAFAC are currently at saturation. This does not permit implementation of major new applications at this time. However, PCM service could be available for limited compilations and reporting in order to improve cost data reporting.

2. New Long Range Concept for PCS Disbursement Control.

- a. The new long range concept will improve MPA-PCS Fund Control by relating each move to actual costs, will improve flaws in the current control of P1400 PCS Funding and will reduce time lag in adjusting obligations.
- b. Analysis and forecasting of needs will be enhanced by a single data source rather than pieces from various sources.
- c. The new concept will provide detailed obligations and expenditure data identified to an individual move. This identification will:
 - (1) Provide accurate cost estimates for obligations by individual PCS move.
 - (2) Permit periodic (monthly) comparisons of estimated obligations to actual disbursements.
 - (3) Permit compilation of data and data analysis by type of PCS travel and the aging of the various types of travel from date of obligation until final disbursement.
- d. Will have some impact on the field DSSN's, USAFAC DSSN, USAFAC Data Processing and USAFAC Accounting Operations.

3. Interim Improved PCS Cost Report (Revised CSGPA844).

- a. Improved timeliness of reporting will be attained over the current cost reporting system by USAFAC by at least three months.
- b. Detail dollar expenditure data would be reported with additional statistical data in one report on a 100% basis.
- c. Will cause some impact on the field, and will cause a requirement for some realignment of resources within USAFAC. It will not impact on data processing service since support is by PCM.

4. Alternate Concept for Interim Improvement of Cost Factor RCS CSGPA844 report (Sampling).

- a. Improved accuracy to the curr cost factor reporting could be attained with an improvement in timelines in report submission by one month

by requiring more timely submission of original PCS vouchers.

b. No impact on field DSSN's would result from improving the present cost factor compilation and reporting at USAFAC.

c. Will cause a need for some realignment of resources within USAFAC to sample properly.

d. Will not impact on data processing services or require additional support by PCM.

5. Analysis of Data Processing Capabilities at USAFAC Applied to Problems of Controlling PCS Disbursements.

a. Current computer systems are saturated.

b. A fifth Univac 494 will provide capability for the new proposed long range concept.

c. Computer analyst and programmer capability exists subject to priorities of other projects and program maintenance.

d. Interim system concepts will have no computer impact as EAM card system will be used with PCM equipment and the impact will be only slightly increased from what is currently being done.

RECOMMENDATIONS

1. The new proposed long range concept (Annex C) for accounting for PCS disbursement within current programing resources be reviewed by all agencies involved and implemented by 1 Oct 76.
2. The interim improvement system of cost reporting (Annex D) using the RCS CSGPA844 number be implemented as a temporary measure to provide number of payments in conjunction with related expenditures.
3. The current sampling report RCS CSGPA844 cost factor report be eliminated as inadequate.

ANNEX A
OFFICER REQUISITIONING SYSTEM
AND
STABILIZATION POLICIES

DAPC-OPD-DD
MAJ Conner/325-7853
Autovon 221-7853

SUBJECT: Officer Requisition System (LTC - WO)

DISCUSSION.

1. The Officer Requisitioning System is the means used to distribute Army personnel assets to meet the requirements of all major commands and such other agencies or activities directly under or dependent upon Headquarters, Department of the Army for support. These major commands and agencies, as defined in AR 614-185, submit requisitions direct to the Director of Officer Personnel, USA Military Personnel Center.
2. The following system applies to most of the requisitioning authorities. AR 614-185, which has been republished, requires CONUS requisitions to be submitted bi-monthly for replacements to arrive during the sixth and seventh month after submission. Overseas requisitions are also submitted bi-monthly for replacements to arrive during the tenth and eleventh month after submission. Requisitions are validated by comparing the Projected Operating Strength to the Projected Requisitioning Authority (PRA) for the requisition in this process. Overseas requisitions which would cause the projected operating strength to exceed the PRA are cancelled and the command is notified. Those which fall within the limits of the PRA are validated to the appropriate Officer divisions for fill. CONUS requisitions are processed in the same manner, however, validations are further constrained by available officer assets. Officer divisions are given 50 days in which to select the best qualified officer available for assignment to fill the requisition and to transmit a Request for Orders (RFO) to the losing command.
3. Those commands and agencies whose requisitioning procedures differ from the one described above are specified in AR 614-185.

DISPOSITION FORM

For use of this form, see AR 340-15; the proponent agency is The Adjutant General's Office.

REFERENCE OR OFFICE SYMBOL	SUBJECT		
DAPC-OPD-P	Stabilization Guidelines		
TO SEE DISTRIBUTION	FROM DAPC-OPZ-A	DATE 3 May 1975 LTC Hill/kat/37850	CMT 1

1. References:

- a. DAPC-OPZ-A DF, subject: Stabilization Guidelines, dated 2 Apr 75, with two inclosures.
 - b. DAPC-OPZ-A DF, subject: Stabilization Guidelines, dated 16 Apr 75.
 - c. DAPC-OPZ-A DF, subject: Monthly Report, Division-Chief Approved Exceptions to Stabilization, dated 27 May 75, with two inclosures.
2. The stabilization guidelines and the exceptions to those guidelines provided by reference 1a through 1c are rescinded and replaced by those at Incl 1 to this DF. A copy of the guidelines will be furnished all action officers for use in assigning and counseling members of their branch.
3. Division Chiefs are responsible for approving tour curtailments in the 27 to 36 months time frame. Curtailments for officers with less than 27 months on station, or who are in an AR 614-5 stabilized position will be forwarded to Chief, Officer Distribution thru the distribution branch chief who supports the losing command. Curtailments to the 36-month policy will be reported in accordance with instructions provided in para 5 of Incl 1.

FOR THE DIRECTOR OF OFFICER PERSONNEL:

JACK M. TUMLINSON
Colonel, GS
Chief, Officer Distribution

- 4 Incl
1. Stabilization Guidelines
 2. List of Bulk Exceptions
 3. Monthly Report Format
 4. Guide for Exception Requests

DISTRIBUTION

C

24 October 1975

STABILIZATION GUIDELINES

1. References:

- a. Stabilized tour lengths for units, agencies and activities are contained in AR 614-5.
- b. Permanent change of station policy is contained in AR 614-6.
- c. Lengths of overseas tours are specified in AR 614-30.
- d. The lengths of command tours are specified in AR 600-20.
- e. Overseas tour curtailment policy is contained in OI 614-5(1).
- f. Reassignment for cause policy is contained in OI 614-100(9).

2. General:

- a. Department of Defense policy is to limit PCS moves to those which are required for reasons of national security or equitable treatment of individual service members.
- b. Department of the Army policy is that permanent change of station assignments for all military personnel be authorized only on a military necessity basis and that all nonessential movements be eliminated.
- c. The ODCS PER objective is to eliminate intra-CONUS reassessments for career officers until they have completed at least 36 months at one location.
- d. Overseas requisitions will be validated IAW the PRA for each oversea command.
- e. CONUS requirements will be validated IAW the PRA and projected number of officers available for CONUS assignment.

3. Guidance:

- a. Personnel assigned within CONUS will not be reassigned, either intra-CONUS or to overseas commands, until they have completed at least 36 months, or the greater tour lengths specified in AR 614-5, as applicable.

DAFC-OPD-P

SUBJECT: Stabilization Guidelines

b. CONUS requisitions, whenever possible, will be filled by either overseas returnees, personnel completing PCS schooling, or other must move personnel.

c. People will not be reassigned in CONUS simply because they have completed 36 months on station or a stabilized tour.

d. When more than one person is qualified for an assignment, the least cost alternative will be considered. Cost considerations should include:

(1) Requirement for backfill irrespective of grade.

(2) Distance from officers' present assignment to proposed assignment.

(3) Location of officers' dependents; are dependents authorized to move at government expense?

(4) Intention of officers' dependents to relocate to a "designated place" if the assignment is to a short tour.

e. Reassignment of military personnel will not be made within CONUS for the sole purpose of retirement.

f. Permanent change of station assignments based on professional development, i.e., "need" for a different assignment, attendance at civil school or at service schools above the basic level will be made, to the maximum extent, in conjunction with completion of a standard overseas or CONUS tour of duty. Exceptions will be made only to insure that fully qualified personnel are selected to meet a valid requirement and no other fully qualified officer is more available. Paragraph 3 of basic DF applies. Assignment based solely on "career development" will not be made.

g. Promotion, up through grade O-6, is not a reason to reassign individuals from one station to another prior to tour completion.

h. Individuals rendered excess by reasons of the following, will be reassigned to other activities located at the same installation or to the nearest installation capable of using the respective skills within a reasonable length of time:

(1) Unit inactivation.

(2) Base closure.

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SUBJECT: Stabilization Guidelines

(3) **Table of distribution changes.**

(4) **Reclassification or action taken to change the occupational specialty or skill designator of an individual.**

(5) **Similar personnel actions.**

i. Reserve officers on their initial tour of active duty, with the exception of those assigned to short tour areas, will serve their entire active duty tour/first tour at the same geographic location.

j. Within PRA limits by specialty and grade, personnel serving overseas will be encouraged to voluntarily extend tours of duty.

k. Personnel will not be furnished assurance of an early takeout or a specific time on-station.

l. Second PCS's in a fiscal year will be precluded except as authorized in Section II, AR 614-6.

4. Exceptions:

a. Officers by branch and grade, and warrant officers by MOS, listed at incl 2, are granted bulk exceptions from the stabilization guidelines. Exceptions are based on normal overseas requirements versus CONUS requirements.

b. The following general categories are also exempt from the stabilization guidelines:

(1) Battalion and Brigade Level commanders into command. Subsequent assignments for battalion-level commanders in CONUS will be at the same installation whenever possible. If reassignment is desired after completion of battalion command and the officer has less than 27 months on station, an exception to stabilization policy is required IAW para 3, basic DF.

(2) Division G-2's (MI Branch only) upon termination of that assignment.

(3) Officers assigned to USAREC.

(4) Officers assigned to cryptologic positions (MI Branch only).

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SUBJECT: Stabilization Guidelines

(5) RA Officers upon termination of initial combat arms detail. Subsequent assignments will be on the same installation whenever possible.

(6) Top 5 percent scholars for advanced civil schooling.

c. In addition to the exceptions noted above, Division Chiefs may approve tour curtailments in the 27 to 36 month time frame for all CONUS based officers who are not on stabilized tours as prescribed by AR 614-5 and are being reassigned to:

(1) Overseas.

(2) CONUS PCS schools.

(3) *most f.// CONUS reassignments as designated by Chief, Officer Distribution.*
5. Reports: Divisions will submit a monthly report of CONUS stabilization exceptions (tours curtailed) in the format of Incl 3 to DAPC-OPD-P, NLT the 5th day of each calendar month. At inclosure 4 is a guide to assist action officers when tour curtailment action is considered.

DAPC-OPD-P

BULK STABILIZATION EXCEPTIONS

19 November 1975
Stabilization Guidelines
Change No 2

COMMISSIONED OFFICERS

AD LIEUTENANTS
AD CAPTAINS AFTER 24 MONTHS ON CONUS
STATION

WARRANT OFFICERS:

MOS 223C
223D
221B
222B
052A
053A
961A
982A
983A
988A
214E
214F
241E
241F
251B
251C
251D
252A
261A
262A
271A
411A
441A
631A
632A

SAMPLE

COMBAT ARMS DIVISION

CONUS TOUR CURTAILMENTS

FOR CALENDAR MONTH JUN 75

1. Approved by Division Chief.

<u>GRADE</u>	<u>NUMBER CURTAILED</u>	<u>NUMBER OF MONTHS CURTAILED FOR EACH CURTAILMENT</u>
CPT	3	3 months
	5	4 months
	2	6 months
LT	2	5 months
	8	6 months

2. Approved by Chief Officer Distribution.

CPT	1	10 months
LT	2	12 months

3. Bulk exceptions (applicable to WO and Company Grade Divisions only).

LT	2	12 months
LT	1	14 months
LT	3	15 months

SAMPLE

24 October 1975

ACTION OFFICER GUIDE FOR EXCEPTIONS TO STABILIZATION POLICY

1. General:

a. An exception to policy is, by definition, permission to accomplish something contrary to policy. Normally, exceptions to policy are authorized only when unique circumstances exist which do not permit accomplishment of a logical and reasonable or compassionate objective within existing policy guidelines. An exception should not be approved if the same objective can reasonably be attained in another way.

b. The purpose of personnel stabilization policy is to reduce PCS move costs and to decrease personnel turbulence. The latter tends to be overlooked if no apparent costs are involved.

2. The following factors should be considered when actioning a request for exception to stabilization policy.

a. Is the real objective of the exception to fill a valid requirement or to meet some other personnel objective?

b. Can this objective be accomplished in another way consistent with policy?

c. Are there any officers who are qualified and more available to meet the required reporting date?

d. If solely to fill a valid requisition, has coordination been made with the distribution action officer concerning a delayed fill date (allowing additional must-move officers to be considered)?

e. Are the facts involved unique and deserving of special consideration above that normally given to similar personnel actions?

f. What are the PCS move and personnel turbulence considerations?

g. Is the recommended action fair and equitable to personnel concerned?

Line 11

ANNEX B

THE CAP III CASCADE PROCESS

CAP III - SABOAR, CH. 2

What is required to meet the
specifications established
for CAP III, SABOAR, CH. 2?

ALL 10

Each individual quantity
of explosive items (two or more) must be
considered positive
for all purposes.

ALL 10

Identify each

The next individual is checked against the contents of the attached requisition. If this individual has one or more items which do not comply, the next item is checked. If this individual will be the higher individual in chain of command, the requisition can be submitted with the "Non-compliant" if "passed" to the next requisitioner.

"Another view of SABOAR"

(1)	A
(2)	S
(3)	E
(4)	T
(5)	S
(6)	
(7)	

6 Required items and 12 absent



1. Item 1 - qualified for CAP III
2. Item 2 - qualified for CAP III
not required because it has
been checked off in sequence
reql'd.

3, 4, 5, 6, 7 - not required for CAP III
8, 9, 10 - not required for CAP III
Note: although Fig. 3 shows 6, ends up unused.

4. Asset 4 - Qualified and filled req 4. Bumped by better qualified asset 5. Not qualified for req 5. Qualified and filled req 6.
5. Asset 5 - Better qualified for req 4 than asset 4. Filled req 4.
6. Asset 6 will then be checked against req 1 and the process is repeated thru all eligible assets. Those do not qualify or are bumped to the end and there are no requisitions left, will be unused and show in the appropriate category books. In this example, we could have 6 Noms and 5 unused as the best case to no Noms and 11 unused if none are qualified. Usually there is a happy medium.

ANNEX C

NEW LONG RANGE CONCEPT
FOR CONTROL OF PCS DETAILED
OBLIGATIONS AND EXPENDITURES

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NEW LONG RANGE CONCEPT FOR CONTROL OF PCS DETAILED OBLIGATIONS AND EXPENDITURES

GENERAL

APCS data base will be established that will contain three years of data. Each year will be on a separate file consisting of eight reels of tape with 90,000 records per reel. The estimated size of the data base will be two million records, each record being two hundred and fifty characters in length. A unique case number will be assigned to each PCS move. This case number will consist of the order number and the member's SSN. The data will be placed onto the PCS data base on a monthly basis. As the data are merged onto the data file, it could be matched against a lookup table to compute some detailed obligations of the PCS move. As disbursements are made, the necessary information will be transmitted via AUTODIN to USAFAC at case number level from all field DSSN's to be updated onto the PCS data file. As disbursements are made by the local DSSN's at USAFAC, a means will be provided to extract the necessary data from such systems as D&R, MECHTRAM, and JUMPS. Other services, such as Navy, Air Force, and State Department, will input all disbursements through Accounting Operations at case number level. Obligations will be liquidated based on expenditure data updated onto the data file. Depending on type of PCS move, obligations will be adjusted to the expenditure amounts based on a time period since last disbursement. The PCS data base will be used to provide the Department of Army monthly statistical and cost reports. It will be necessary to instruct the field to insure the input data will be at individual PCS level and will contain the PCS case number. This will require that changes be made to the current input to JUMPS, D&R, MECHTRAM, and Accounting Operations expenditure systems. PCS movement validation will be accomplished by comparison with the JUMPS Army-Depart PCS message file.

NEW CONCEPTS

1. Procedures: Obligation and Master File

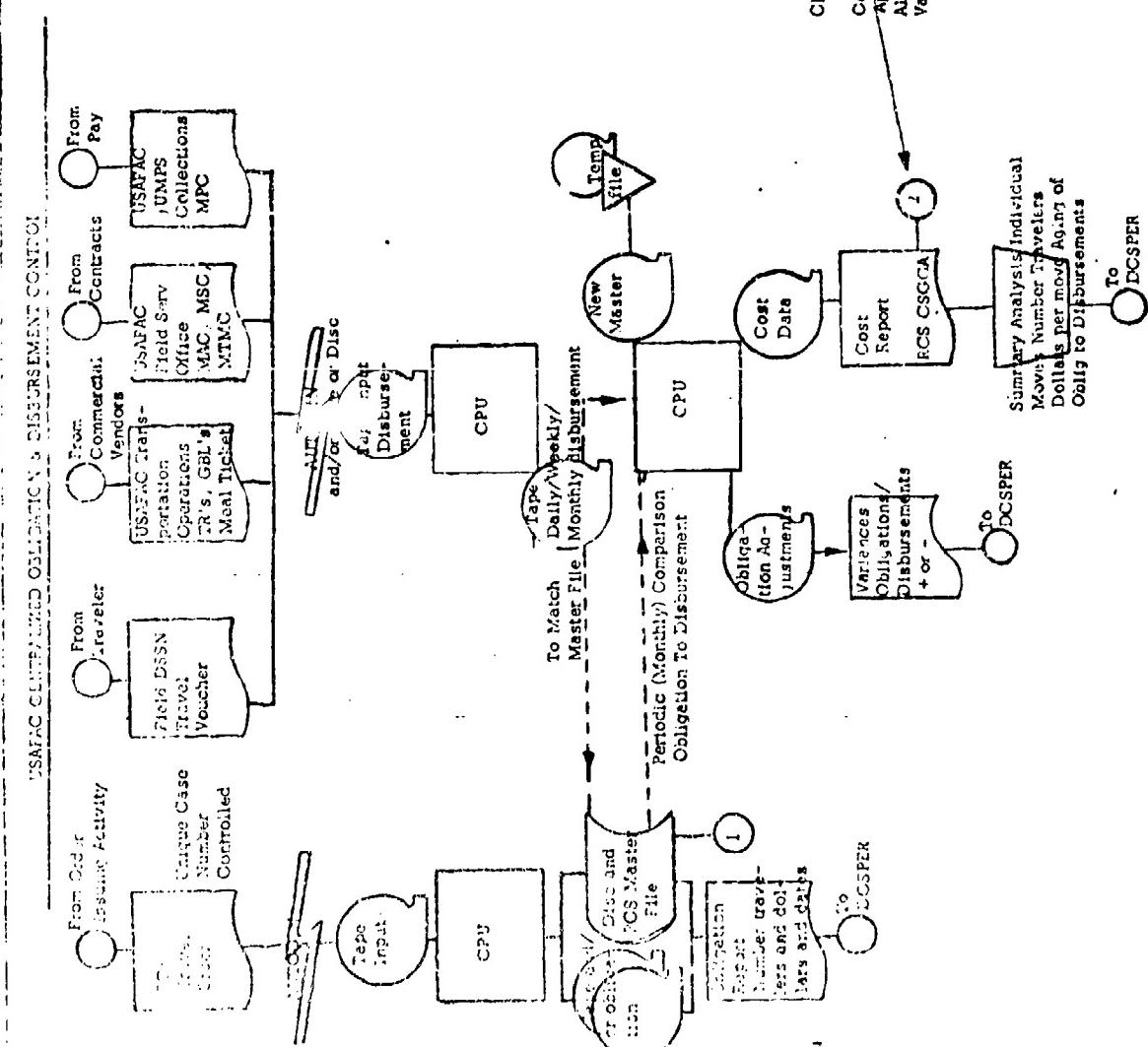
- a. From the order issuing activity (Centralized or Decentralized) the PCS Travel Order will be cut (prepared).
- b. The assignment of a unique case number will be developed from the order number, order date, member Social Security Number.
- c. The detailed obligation amount may be developed from look up tables developed from cost history and/or by the order issuing activity inserting the estimated obligation at sub-project and/or movement designator code level.
- d. A conceptual Assumption is that a monthly detailed obligation report (output) from the data base and/or look up Table and input data will be furnished DCSPER at the Sub-project level.

2. Procedures: Disbursements and Master File

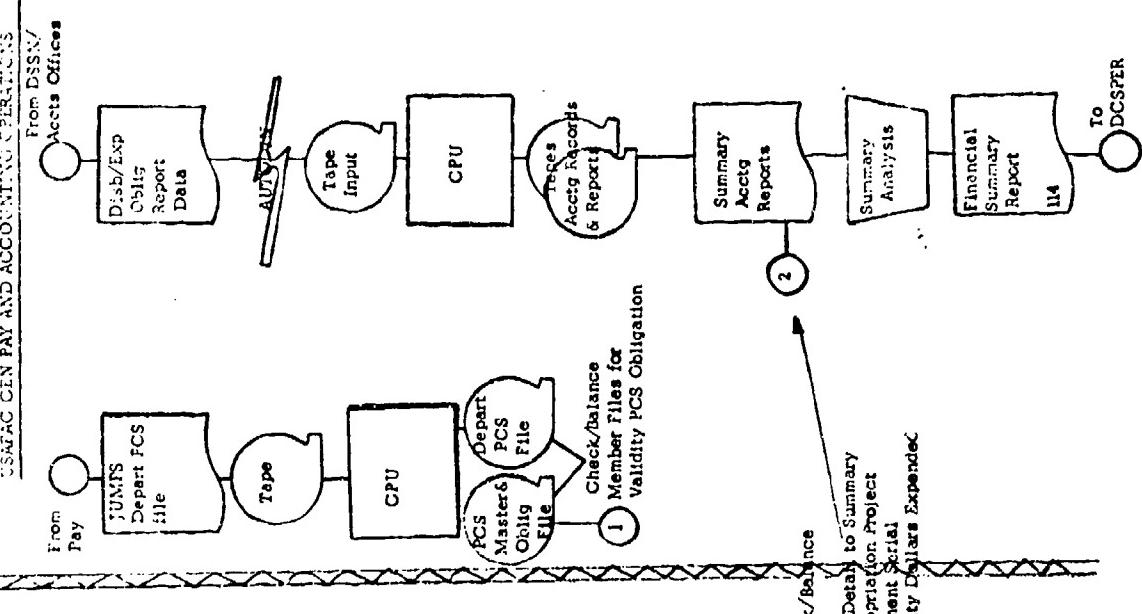
- a. At the DSSN's when daily disbursements are made the disbursement documents will carry the unique case number.
- b. Disbursement data including the case number will be transmitted to USAFAC by autodin for recording against the master file to liquidate the obligation.
- c. USAFAC will process the disbursement data against the master file and the difference between disbursements and obligated amounts will become variances on a time basis. Deobligation may occur from the matching concept process.
- d. Monthly statistical and cost reports will be prepared.
- e. Summary analysis will be made by USAFAC and a report forwarded to DCSPER giving data on obligations, disbursements, types of travel, time period from obligation to liquidation of obligation and cost of individual moves by grade.
- f. A further audit and analysis comparison will be available and periodically performed to match the travel cost to the Summary Accounting reports of Fund Citation for disbursements.
- g. A conceptual assumption is that monthly report data will be available and furnished on a timely basis at the Movement Designator Code level as well as at the Army Management Fiscal Structure level.
- h. Cost compilation will be made, aged and detailed as required by DCSPER from data on the Master Files.
- i. Files will be kept by Fiscal Year designations.

3. Summary: Figures 3 through 11 give additional information on the new concept and samples of reports that could be produced if the new long range concept were implemented. Figure 12 contains an estimate of the costs involved to implement this new concept.

CONCEPT FOR CONTROLLING FUNDS



USAFAC CENTRALIZED PAY AND ACCOUNTING OPERATIONS



Concept

Output Reports

Examples:

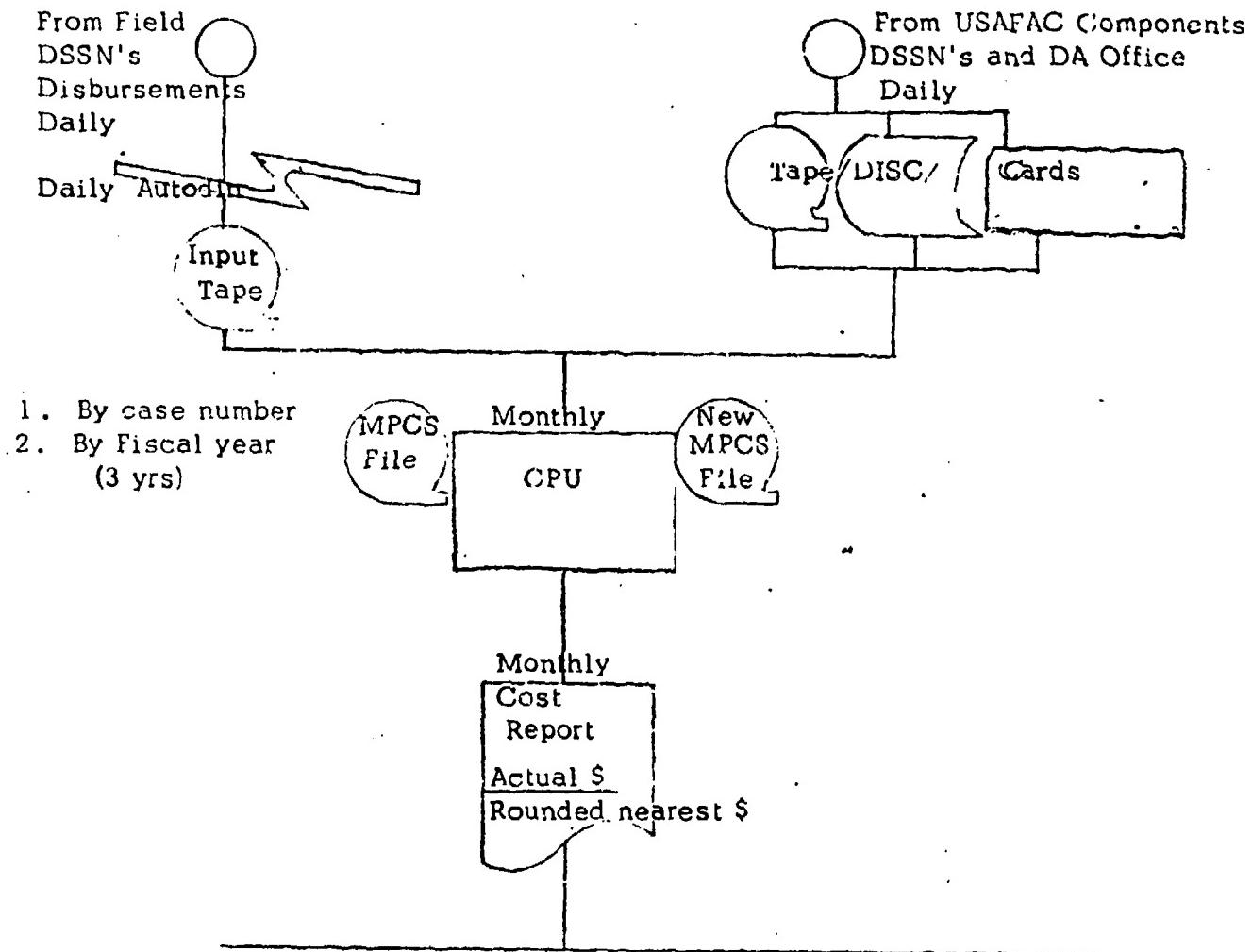
Figure 4

OBLIGATIONS

BUDGET/OBLIGATION DATA FOR MONTH OF JULY 76

<u>CASE NO</u>	<u>Order Date</u>	<u>SSN</u>	<u>Name</u>	<u>FY</u>	<u>Sub Project</u>	<u>MDC</u>	<u>Amount</u>	<u>NR</u>
S0125-76	305 22 3722	Smith	6	11		1A	\$1,000.00	
G0126-76	307 19 6469	Jone	6	11		1C	500.00	
CD5-23-76	301 21 7629	Kapla	6	11		1D	<u>7,000.00</u>	
TOTAL				11			\$ 8,000.00	3
S0127-76	3XX XX XXXX	Robt	6	12		1B	800.00	
S0127-76	1XX XX XXXX	Samp	6	12		1H	<u>2,000.00</u>	
TOTAL				12			\$2,800.00	2
S0127-76	1XX XX XXXX	Samp	6	16			<u>1,200.00</u>	
TOTAL				16			\$1,200.00	1
S0001-76	2XX XX XXXX	PASQ	6	31		3A	700.00	
S0002-76	101 99 8621	Pasq	6	31		3E	<u>100.00</u>	
TOTAL				31			\$ 800.00	2

Provide Accurate Cost Estimates for Individual PCS Moves (Program 1400)



Report is (Monthly and Cumulative)
Case NR CY, Sub-project, MDC, Allot Serial, \$ Amount, NR Traveler's
with summary by
FY Sub-project, MDC Serial Amt NR

See Example

Figure 5

Figure 6

PROVIDE ACCURATE COST ESTIMATE FOR INDIVIDUAL PCS MOVEMENTS

P1400

Statistical Report

Individual PCS Movement

For the Period mo , Yr

Project 14XX

Grade - E - 05 Number of Dependents

RCS - XXX - XXX

<u>Serial Nr</u>	<u>Nr</u>	<u>\$ Amount Current Mo</u>	<u>Avg Cost</u>	<u>Year to Date \$ Amt</u>	<u>Year to Date NR</u>	<u>Avg Cost</u>
MBR 40i	25	\$25,000	\$1,000	\$800,000	750	\$1,066
Dep 2	X	X	X	X	X	X
HRG 3	5	7,500	1,500	1,400,000	800	1,750
TR ALW 4	X	X	X	X	X	X
DIS ALW 5	X	X	X	X	X	X
NON T.S.	6					
TOTAL						Avg Cost

Report is by grade, by dependents, by sub project, by allotment serial

A hard copy listing and/or file can be the output format

CONCEPT: Output Reports (COSTS) Disbursements

EXAMPLES: Disbursement/Cost For Month of Sept 76

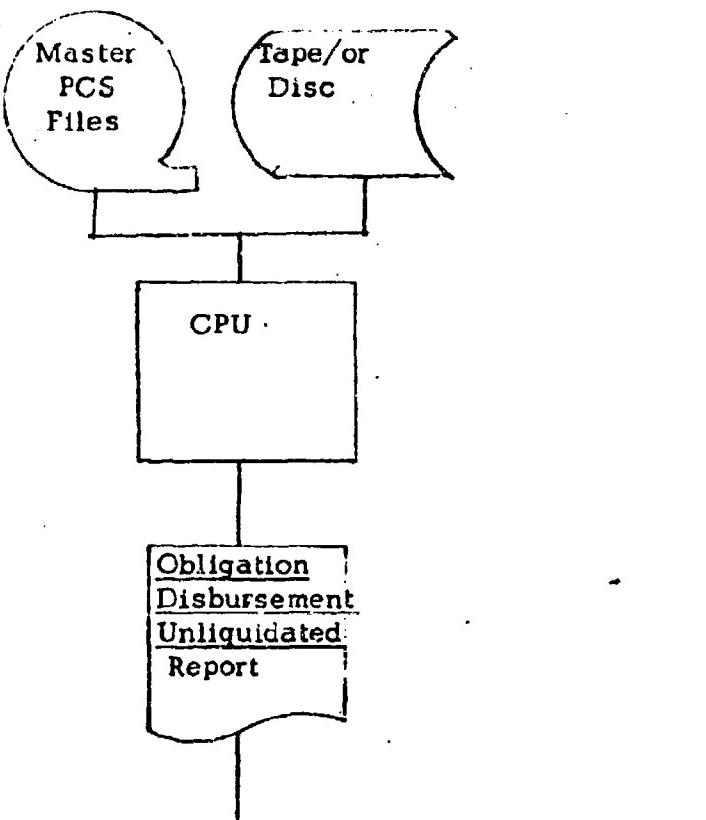
Case Nr	Name	Disb Date	VO #	DSSN #	FY	SUB Project	MDC	Allot Serial	Amount	NR
\$0125-76 305 22 3722	Smith	9 6	21	5230	6	1411	1A	1	800.00	
\$0125-76 305 22 3722	"	9 6	71	5052	6	1411	1A	3	<u>100.00</u>	
*TOTAL						1411			\$900.00	1
\$0127-76 3XX XX XXXX	Robt	9 6	96	6411	6	12	1B	2	200.00	1
\$0127-76 1XX XX XXXX	Samp	9 6	102	6411	6	12	1H	1	300.00	1
\$0127-76 1XX XX XXXX	Samp	9 6	72	5052	6	12	1H	3	<u>800.00</u>	
*TOTAL						1412			\$1,300.00	2
**TOTAL						1410			<u>\$2,200.00</u>	<u>3</u>

SUMMARY EXTRACT COSTS

FY	PROJECT	MDC	1	2	3	4	5	6	TOTAL AMT	TOTAL NR
6	1411	1A	800		100				900	1
6	1412	1B		200					200	1
6	1412	1H	<u>300</u>	<u>—</u>	<u>800</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1100</u>	<u>1</u>
6	1410 TOTAL		\$1100	\$200	\$900				\$2,200	3

Permit Periodic Comparisons of Estimated Obligations to Actual Disbursements

1. By case Nr.
2. By Fiscal Year (3yrs)



Report Is Monthly and Cumulative

By Case Nr	Date Oblig	Date Liq	F Y	Sub-Project	MDC	Alot Serial	Oblg Amt	Disb Amt	Unlig Amt
------------	------------	----------	-----	-------------	-----	-------------	----------	----------	-----------

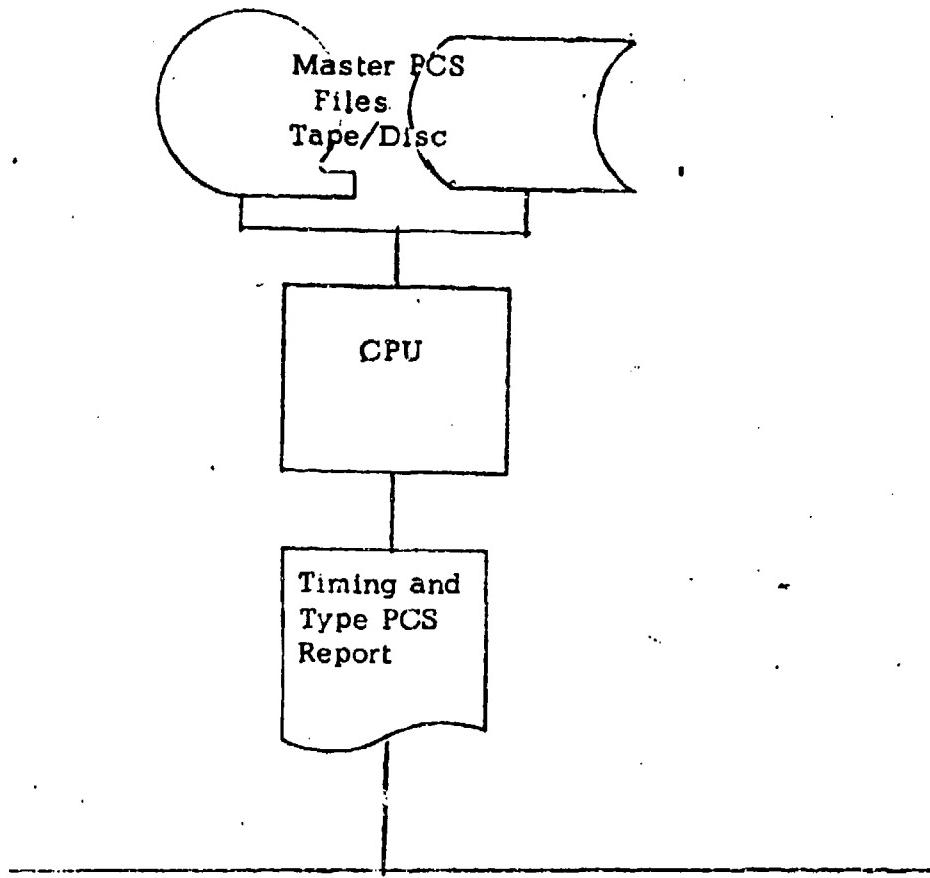
with Summary Extract by

Total obligation/Disbursement/unliquidated by Project 1410,20,30A0,50,60,70, 80, and 90

See Example

Figure 8

Facilitate Compilation and Analysis of Data which will Show by Type PCS Travel Length of Time Required to Process PCS Action From Date Obligation to Date of Liquidation



Report is Monthly and Cumulative

<u>By Case Number</u>	<u>Date Oblig</u>	<u>Date Liq</u>	<u>Elapsed Months</u>	<u>Sub Proj</u>	<u>MDC</u>	<u>Alot Serial</u>	<u>NR</u>
-----------------------	-------------------	-----------------	-----------------------	-----------------	------------	--------------------	-----------

with Summary extract by project 10, 20, 30, 40, 50, 60, 70, 80, 90

See Example

Figure 9

SCNCPT: Outline Report

Figure 10

EXAMPLE: Oblig./Disb./Unliquidated for the month ending 30 Sept 76

Case Nr.	Name	Oblig date	Disb Date	FY	Sub Proj	MDC	Alot Ser	Oblig Amt	Disb Amt	Uniq Oblig	NR	GR
0125-76 305-22-3722	Smith	7 6	9 6	6	1411	1A	-	1,000				6
" " "	"	"	"	"	"	"	"	"	800			
" " "	"	"	"	"	"	"	"	"	800			
TOTAL											100	1
0127-76 3XX XX XXXX Robt		7 6	---		6	12	1B	---	---	1,000	900	
" " "	"	"	"	"	9 6	6	12	1B	2	800	200	
TOTAL					7 6	---	6	12	---	2,000	600	1
0127-76 1XX XX XXXX Samp												5
" " "	"	"	"	"	9 6	6	12	1H	1	300		
" " "	"	"	"	"	9 6	6	12	1 H	3	2,800	800	1
TOTAL											1,300	
TOTAL					6	1410				\$3,800	\$2,200	\$1,600

SUMMARY EXTRACT

Figure 11

<u>Project</u>	<u>Timing of Moves</u>	<u>Elapsed Time</u>	
	<u>Oblig Date</u>	<u>Liquidation Date</u>	<u>Month's</u>
	MO	MO	
10	7	9	2
20	X	X	X
30	X	X	X
40	X	X	X
50	X	X	X
60	X	X	X
70	X	X	X
80	X	X	X

Figure 12

ESTIMATED COST FOR PHASE II

1. ONE TIME COST:

b. FIELD:
MODIFY STANFINS
MODIFY ANC & OTHER
ACTIVITIES NOT ON
STANFINS 2 MAN MONTHS

TOTAL ONE TIME COST *

*DOES NOT INCLUDE COST ESTIMATE TO MODIFY SYSTEMS OF SISTER SERVICES TO MEET THIS

2. CONTINUING ANNUAL COSTS

a. FIELD: DETAIL OBLIGATION & EXPENDITURE INPUT (1,400,000 CARDS OR EQUIV) 7 GS-3 \$58,310

b. USAFAC:
PROCESSING TIME (UNIVAC) 16 HRS PER MONTH
CLERICAL TO PROCESS CORRECTION DATA
2 GS-3; 4 GS-4 and 1 GS-5

\$46,272
64,544

TOTAL CONTINUING ANNUAL COST **\$169,126**

ANNEX D

**INTERIM PROPOSAL TO
IMPROVE COST REPORTING**

Interim Improvement in Cost Reporting

Reference Flow Chart attached at Figure 13.

1. The field DSSN's and USAFAC DSSN's and USAFAC DAO will continue disbursing, accounting and reporting for dollar amounts as currently required in AR 37-103, AR 37-108, AR 37-151 and other DA instructions for financial dollar accountability and reporting.
2. The field DSSN's and USAFAC DSSN's will be required to furnish
 - (a) number of payments information by Acctg Class (sub project, allot serial) for current fiscal year in separate feeder reporting to Financial Histories Operations,
 - (b) Departmental Accounting Ops will submit dollars for cross disbursing data to Financial Histories Ops,
 - (c) Financial Histories Ops will consolidate numbers (payments) and dollars for cost reporting,
 - (d) This interim system will continue to use a PCM process with minor modifications to the card format, revisions to the reporting format, and data on the report as currently used in gathering cost data for PCS.
3. USAFAC Departmental Accounting Ops will need to furnish a copy of CSCAA 114 report, support data of Fund Distribution Ledger, and cumulative disbursement Open Allotment Listing for P1400 all sub projects to Financial Histories Ops for consolidation as described in 2c above.

4. The current financial statements submitted by DAO for all the Army will continue to DCSPER, and a statistical and cost report for PI400 by sub-projects and allotment serial will be submitted by Financial Histories Ops. A reporting submission date by 30th of month following month of disbursement by DSSN's will be used for the Statistical and Cost Report. This report will use the current RCS CSGPA844 number but show a revised date of 1 Aug 75. (See Figure 13 through 16)

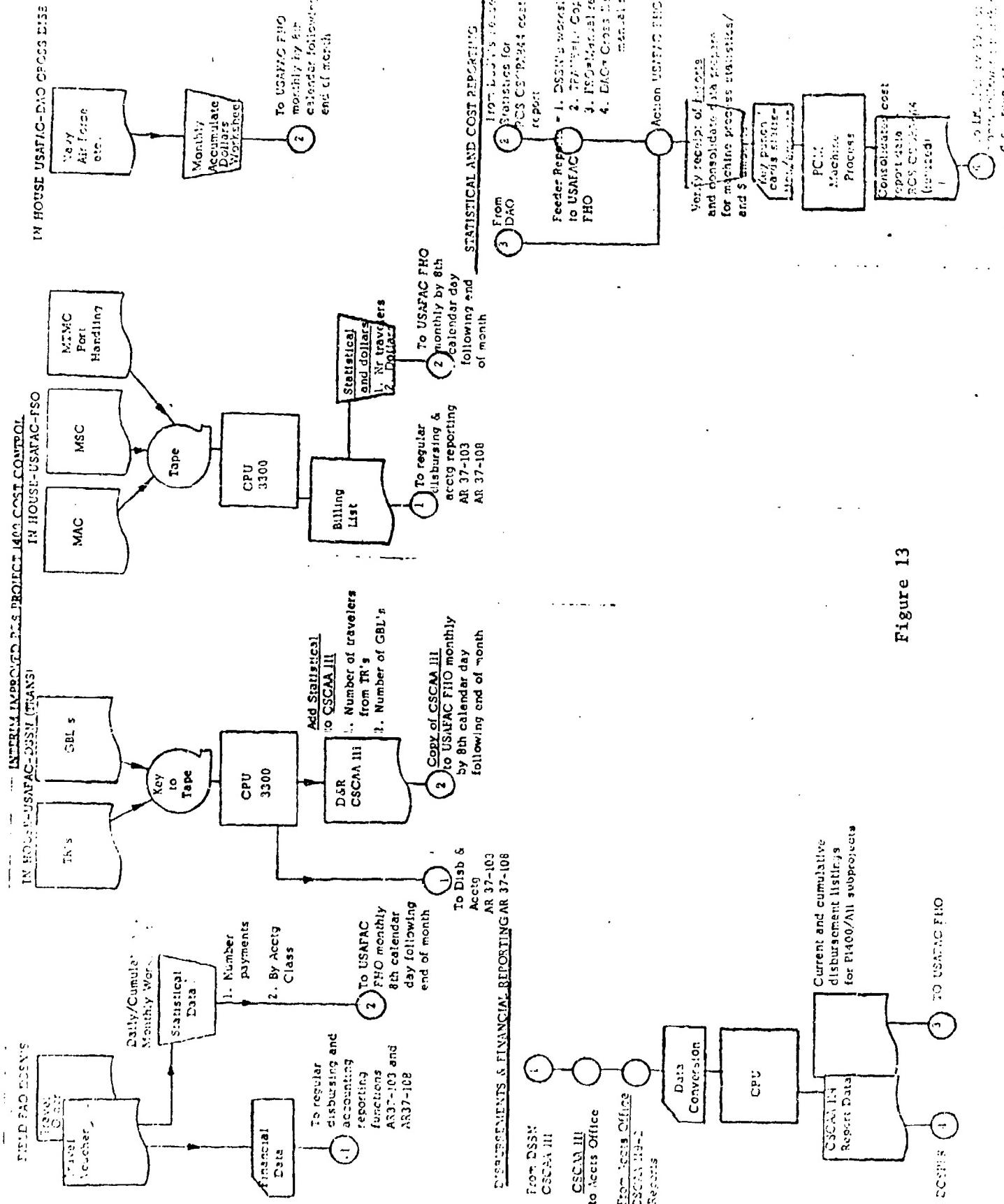


Figure 13

Figure 14

IMPA-PCS TRAVEL REPORT (RCS-CSGPA-844 FEEDER)

For month of XX
Accounts Office XX

Disbursing Officer

IC: FINANCIAL HISTORIES OPERATIONS
USAFAC INDPLS IN 46249

NUMBER OF PAYMENTS BY ALLOTMENT SERIAL

<u>SUB PROJECT</u>	<u>401</u>	<u>402</u>	<u>403</u>	<u>404</u>	<u>405</u>	<u>406</u>
1411	XX					
1412						
1413						
1414						
1415						
1416						
1417						
1418						
1419						
1420						
1421						
1422						
1430						
1431						
1432						
FTC						
TOTAL						

Figure 15

PCS 1400 TRAVEL (WORKSHEET) AND FEEDER REPORT RCS CSCPA844

Accounts Office Nr _____ For the Month of _____ Submit Date _____ FAO Signature _____

DSSN Nr _____

PROJECT 14**NUMBER OF PAYMENTS BY ALLOTMENT SERIAL1 401
XX2 402
XX3 403
XX4 404
XX5 405
XX6 406
XX

May maintain separate sheet
for each sub-project on daily
or Mechanize to FAO abilities
to produce monthly DSSN Feeder
report

May be used if desired to
support RCS CSCPA844 Feeder

XXXXXXXXXXXXTOTAL

MPA-PCS STATISTICAL AND COST REPORT

F1400

For the month of _____

BY USAFAC IND

RCS C3GPNA4 (REVISED)

1 AUG 75

<u>SUB PROJECT</u>	<u>ALLOT SERIAL</u>	<u>CURRENT MONTH NUMBER</u>	<u>AMOUNT</u>	<u>TOTAL TO DATE CUMULATIVE NUMBER</u>	<u>\$ AMOUNT</u>
1411	401	XX	XX	XX	XX
	402	XX	XX	XX	XX
	403	XX	XX	XX	XX
	404	XX	XX	XX	XX
	405	XX	XX	XX	XX
	406	XX	XX	XX	XX
*TOTAL		XXX	XXX	XXX	XXX
1412	401	XX	XX	XX	XX
	402	XX	XX	XX	XX
	403	XX	XX	XX	XX
	404	XX	XX	XX	XX
	405	XX	XX	XX	XX
	406	XX	XX	XX	XX
TOTAL		XXX	XXX	XXX	XXX

E&C: Each project

ASSUMPTION: PCM TABULATION LISTING (SUMMARY)

Figure 16

Signature Submitter
Exe. Officer

ANNEX E

USAFAC PCS REPORTS

TYPES OF REPORTS BEING SUBMITTED BY
USAFAC FOR DCSPER MANAGEMENT USAGE
FOR PI400 PCS-MOVEMENTS

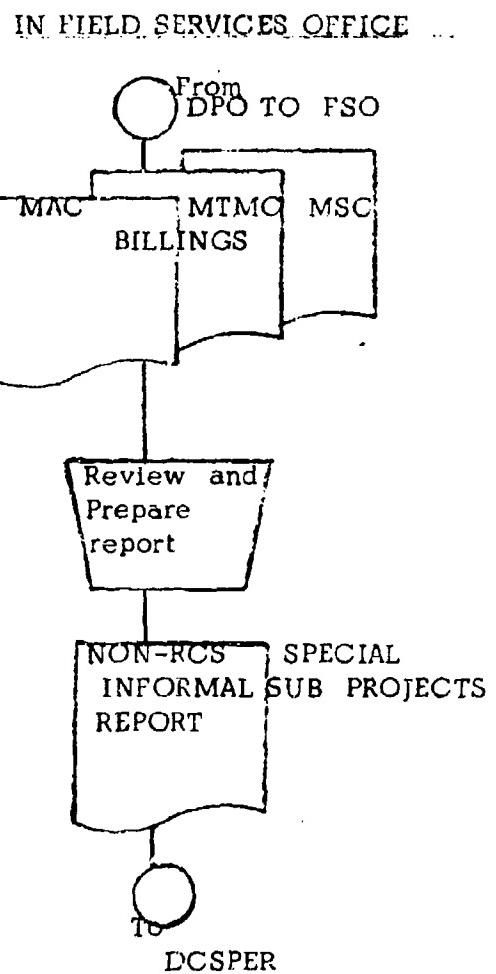
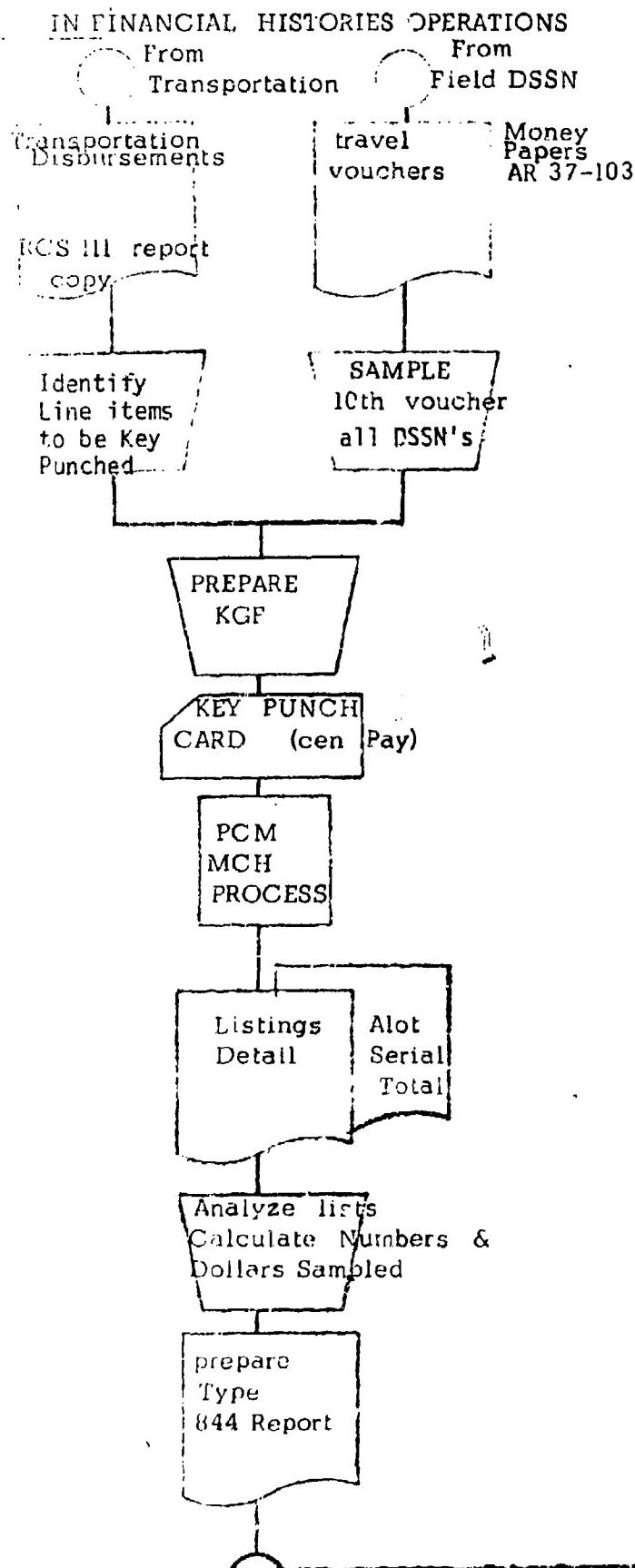
1. CSCAA 114 Status of Allocation Current Fiscal Year
2. Fund Distribution Ledger Current Fiscal Year (Supports CSCAA 114)
3. Cumulative Disbursements Open Allotment Status (Support CSCAA 114)
4. CSCAA 119-2 Summary of Intercommand Financial Activity

Note: This report (one copy) from accounts offices is by particular DSSN and the copy received at USAFAC is forwarded to DCSPER

5. RCS-CSGPA 844 PCS cost factors - accession project 1411, 1412, 1413; Training project 1421, 1422; Operation 1431, 32; To overseas 1441, 1442; From overseas 1443, 1444; Separation 1471, 1472, 1473, Reenlistment 1474
6. Non RCS Informal MAC, MSC, MTMC report - Projects 1416, 1419, 1449, 1479, 1489, 1446, 1476, 1486

TYPES OF REPORTS BEING SUBMITTED BY DCSPER
FOR USAFAC ACCOUNTING USAGE

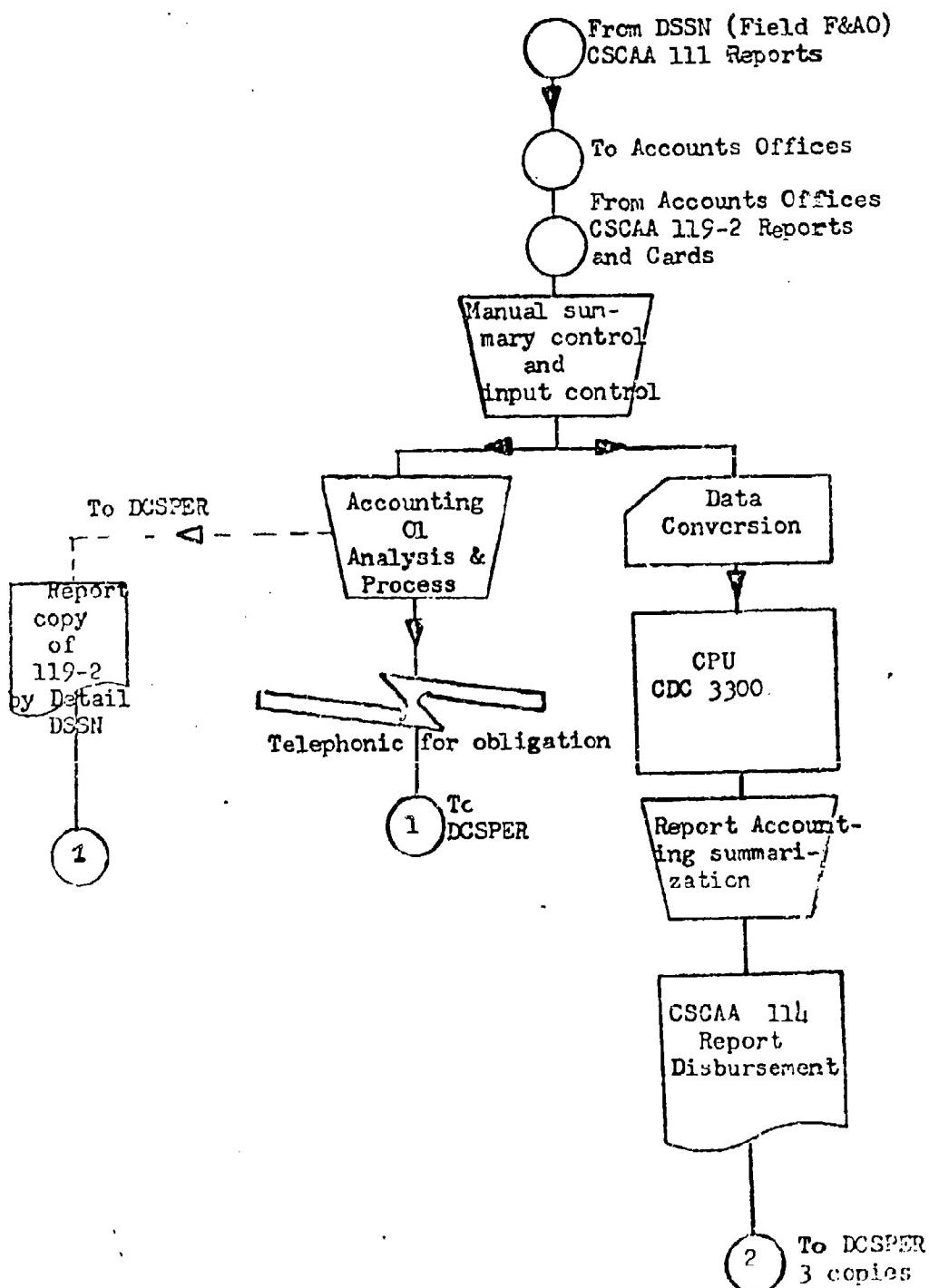
1. CSCFA 216 Status of allotment by Budget Program/Project/Subproject



PRESENT SYSTEM

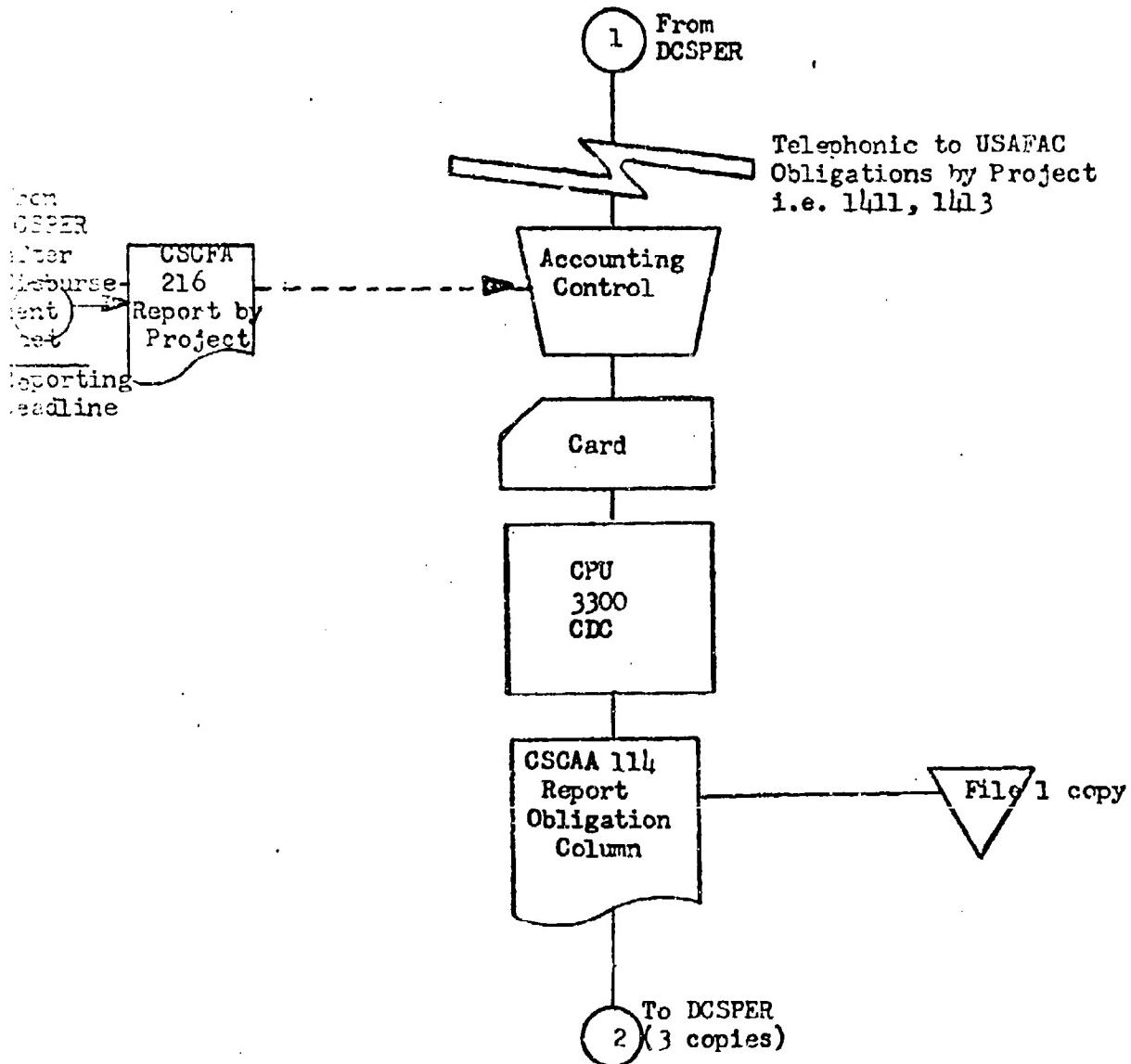
1. What are we (USAFAC) doing now for control

A. Disbursements



PRESENT SYSTEM

B. Obligations



PRESENT SYSTEM

C. Input to Develop Complete CSCAA 114 Report

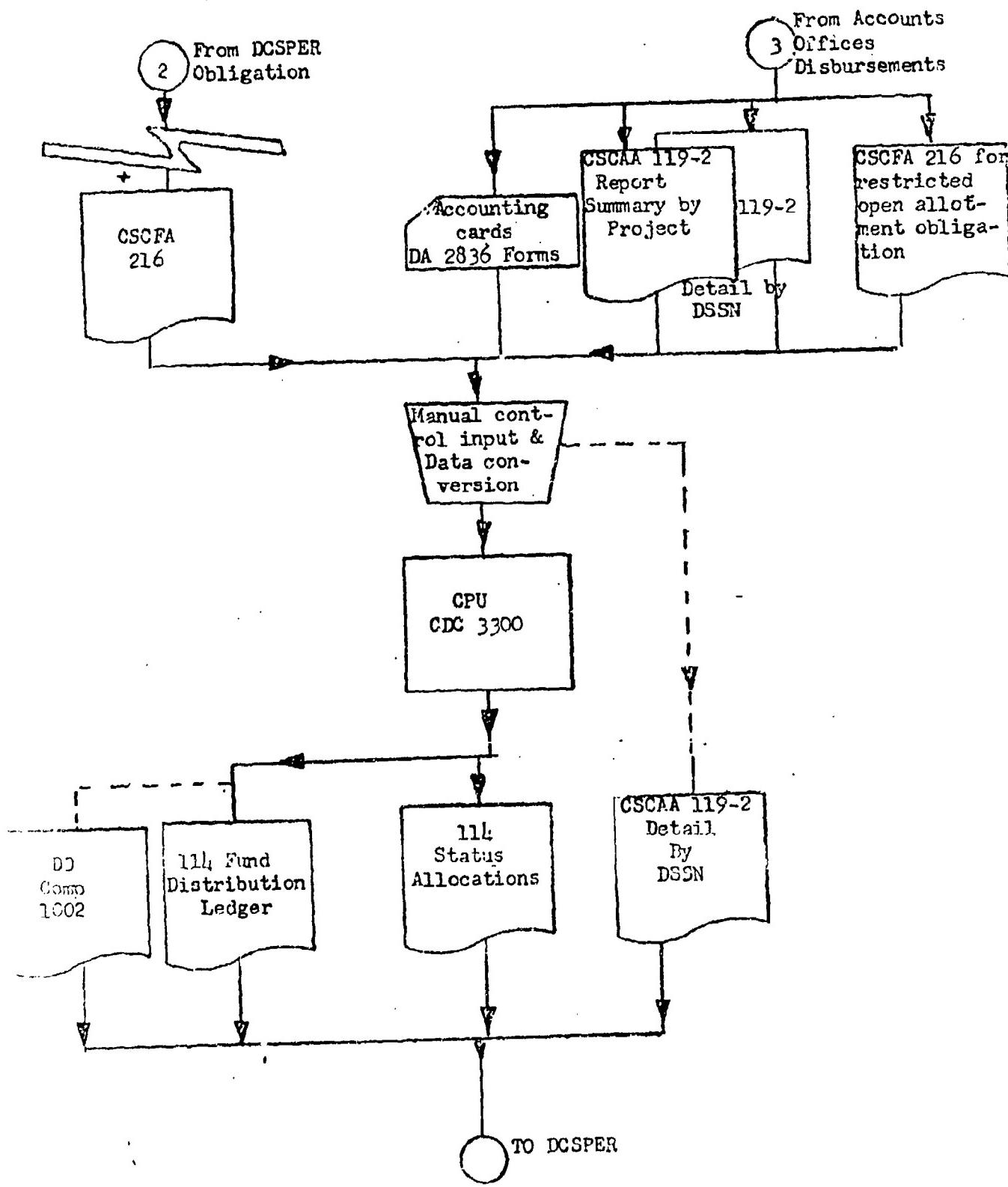


CHART LEGENDS



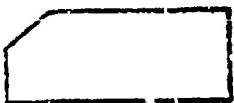
Connector



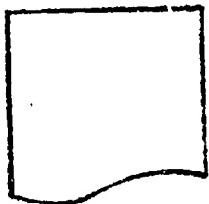
Manual Operations



Transmits



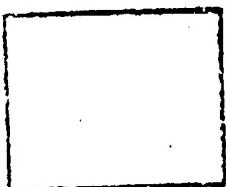
Data Card



Import
Card copy



File



Computer

ANNEX F

STUDY DIRECTIVE



DEPARTMENT OF THE ARMY
OFFICE OF THE ADJUTANT GENERAL
WASHINGTON, D.C. 20310

REPLY TO
ATTENTION OF:

DAAG-ANM DAPE-PBB

28 April 1975

Expires 31 Dec 1975

SUBJECT: Study: Control of PCS Funds

SEE DISTRIBUTION

1. PURPOSE. A study will be accomplished by Office of the Deputy Chief of Staff for Personnel, HQDA, assisted by the US Army Finance and Accounting Center, under the provisions of AR 5-5 to develop a concept for controlling PCS obligations and expenditures. Results of this study will be utilized by ODCSPER to assist in establishing a more effective method of controlling PCS funds. The study category is Manpower and Personnel.

2. REFERENCES:

- a. AR 614-6, Permanent Change of Station Policy.
- b. AR 37-35, Fiscal Accounting for Permanent Change of Station Moves chargeable to Appropriation, Military Personnel, Army.
- c. AR 37-100-75, the Army Management Structure (AMS).
- d. AR 310-10, Orders.
- e. AR 614-5, Stabilization of Tours.
- f. AR 614-30, Oversea Service.
- g. AR 614-200, Enlisted Personnel Selection, Training and Assignment System, Grades E1 through E9.
- h. PCS Travel Report (RCS, DCSPER-118).
 - i. Army-wide audit of the Financial Management of the NPA by the Army Audit Agency, dated 6 December 1974 (Audit Report EC 75-210).
 - j. A study by Manpower Programs Division, ODCSPER entitled FY 75 PCS Move Savings.
 - k. Volume I, Joint Travel Regulations.

DAAG-AMM

DAPF-PBB

SUBJECT: Study: Control of PCS Funds

28 April 1975

3. STUDY SPONSOR. The Office of the Deputy Chief of Staff for Personnel. Sponsor point of contact for the study is LTC Robert A. McDonald, Budget Division, Autovon 227-1555 or OX 5-4165.

4. STUDY AGENCY. Directorate of Plans, Programs and Budget, Office of the Deputy Chief of Staff for Personnel, supported by the U.S. Army Finance and Accounting Center.

5. TERMS OF REFERENCE.

a. Problem. As the Appropriation Manager of the MPA Appropriation, The Deputy Chief of Staff for Personnel (DCS PER) is responsible for budgeting and controlling the Permanent Change of Station (PCS) obligations and expenditures. Liquidation of PCS travel obligations spans a period of several months depending on the extent of involvement of categories of entitlement. Because of the variables of PCS travel costs, the length of time needed to complete a PCS travel action, and the delay that occurs between the time an obligation is generated and disbursement of the funds for the move is made, care must be exercised in determining the amount of funds required. DCS PER does not have the capability to match PCS disbursements to related estimated obligations and consequently encounters problems in accurately determining the status (obligation shortages or excess) of PCS funds during the fiscal year.

b. Objectives. Provide DCS PER with a concept for an effective system for controlling PCS obligations and expenditures that, in so far as possible, is compatible with current procedures and available ADF equipment and capable of implementation with minimal disruption of the PCS mission.

c. Scope.

(1) Consider all possible factors that influence the obligation and expenditure of PCS funds to include programming and budgeting, control of PCS moves, forecasting PCS moves, rate estimation and fiscal accounting for PCS moves.

(2) Evaluate the current method of controlling PCS funds.

(3) Develop a concept for an improved method of controlling PCS funds.

d. Limits. This study will not consider PCS policies except those that affect the control of PCS funds. However, policies such as stabilization, tour length requirements and distribution of military personnel to meet operational requirements must be taken into consideration in addressing the problem of controlling PCS moves.

DAAG-AMM
DAPE-PBB

SUBJECT: Study: Control of PCS Funds

28 April 1975

e. Time Frame. The study should analyze the current PCS system and develop concepts for implementation as soon as possible.

f. Assumptions. None.

g. Essential Elements of Analysis (EEA). The study should provide DCSPER with a concept for an effective accounting system for controlling PCS funds to include the following:

(1) Provide an accurate record of PCS moves made by MDC.

(2) Provide accurate projections of the number of PCS moves for a given fiscal year and each month therein.

(3) Provide accurate cost estimates for individual PCS moves for use in determining an estimate of funds to be obligated for each move.

(4) Provide an accurate record of disbursements made in connection with obligations.

(5) Permit periodic comparisons of estimated obligations to actual disbursements to:

(a) Identify and "flag" obligations and expenditures which may exceed obligational authority.

(b) Ascertain accuracy of

- 1 Monthly estimated obligations.
- 2 Unliquidated obligation balances.

(c) Determine need for supplemental appropriations or reprogramming.

(6) Facilitate compilation and analysis of data which will show, by type PCS travel, the length of time required to "process" the PCS action from date of obligation to date of liquidation of obligation.

6. ENVIRONMENT/THREAT GUIDANCE. Not applicable.

7. SUPPORT AND RESOURCE REQUIREMENTS.

a. DCSPER will provide a chairman for an ad hoc study group and the administrative support necessary for the study group.

b. MILPERCEN will provide a permanent member to the ad hoc study group who is knowledgeable of the current PCS assignment procedures and methods for controlling PCS moves.

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28 April 1975

SUBJECT: Study: Control of PCS Funds

c. COA will provide a part-time member for the ad hoc study group who is knowledgeable in the methods used for accounting for PCS expenditures and will serve as the POC for access to information required from the Finance and Accounting Center at Fort Benjamin Harrison, Indiana.

d. DCSLOG will provide a part-time member and POC for the ad hoc study group who is knowledgeable of the transportation problems associated with PCS moves.

e. The Commander, US Army Finance and Accounting Center will:

(1) Analyze the methods used at the Finance and Accounting Center at Fort Benjamin Harrison, Indiana, for accounting for PCS disbursements.

(2) Analyze the data processing capabilities at the Finance and Accounting Center to include JUMPS in order to determine, if possible, how it can be applied to the problem of controlling PCS disbursements.

(3) Develop a concept for accounting for PCS disbursements that will:

(a) Provide accurate cost estimates for individual PCS moves.

(b) Permit periodic comparisons of estimated obligations to actual disbursements.

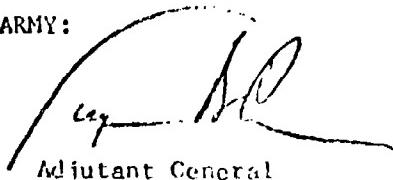
(c) Facilitate compilation and analysis of data which will show by type of PCS travel, the length of time required to process the PCS action from date of obligation to date of liquidation of the obligation.

8. ADMINISTRATION.

a. Study Title. Control of PCS Funds.

b. Study Schedule. Study will be completed NLT 15 July 1975.

BY ORDER OF THE SECRETARY OF THE ARMY:



Adjutant General

DAAG-AMM
DAPE-PBB
SUBJECT: Study: Control of PCS Funds

28 April 1975

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